

The Department of State

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JUN 27 1955

bulletin

Vol. XXXII, No. 833

June 13, 1955



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The Department of State bulletin

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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

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June 1

Recommendations for Amending Refugee Relief Act

MESSAGE OF THE PRESIDENT TO THE CONGRESS¹

To the Congress of the United States:

The Refugee Relief Act of 1953 has now been in effect for almost two years.²

It was enacted to enable the United States to participate with other nations in a great humanitarian effort for the relief of tragic victims of the postwar world, and for the reduction, in a measure, of over-population stresses in friendly nations. Thus we would promote friendly relations with the nations of the world. Beyond this, it was our purpose to further the interests of the United States by bringing to our shores an eminently desirable immigration within the absorptive capacity of this country. The immigrant has brought greatness to our land and a tremendous love for his adopted country. The foreign-born and their descendants—which include all of us—have given devoted allegiance to the United States, in war and in peace, and have helped give to America a unique position of leadership among the nations.

During the last year and a half, substantial progress has been made in setting up the complex organization required to administer the technical requirements of the Act. The necessary cooperation of the various governmental agencies, including those related to medical and security matters, has been enlisted. Over 30,000 visas have actually been issued. Nearly 85,000 applicants are in various stages of processing.

Nevertheless, the purposes of the Act are not being achieved as swiftly as we had all hoped. As a result of the experience gained in administering the Act to date, important administrative instructions designed to expedite the procedures

under it have already been issued. The men and women handling the program are fully aware of the urgency of their mission. I am assured by the Secretary of State that further administrative improvements can and will be made.

Experience has demonstrated, however, that administrative improvements are not enough. A number of the provisions of the Act require amendment if the Act's objectives are to be fully achieved. I urge upon the Congress the following:

(1) The Act, at present, contains specific categories of eligibility with specific numbers allotted to each category. It now appears that because of some of the technical requirements of the Act and the growing prosperity in Western Europe, there may not be enough applicants to fill the quotas in some categories. I recommend that there be a provision for the use of unused numbers. Such unused numbers might well be used, for example, for orphans on a worldwide basis.

(2) The Act limits the term "refugee" to those who have not been "firmly resettled." Experience has shown that this provision tends to exclude the hard-working and the adjustable, the very people we want most as new citizens. Moreover, it appears that "resettlement" is such a vague term as to create conflicts in interpretation and delays in clearing applications.

I recommend that this limitation be withdrawn so that, where the refugee otherwise qualifies on a selective basis, he will not be barred because he is diligent and competent.

(3) A similar difficulty is presented by the terms of the Act which require that an "escapee" or "expellee" also be a "refugee". Under the Act this unduly limits the escapees and expellees who may be admitted. This, again, serves to exclude some of the most desirable people who have, at

¹ H. Doc. 173, 84th Cong., 1st sess.; transmitted May 27.

² For text of the statement made by the President on signing the act on Aug. 7, 1953, see BULLETIN of Aug. 17, 1953, p. 201.

great sacrifice, at least temporarily resettled themselves. I am sure it is enough that a person be a qualified "escapee" or "expellee" to meet the standards on which we all agree. They should not also be required to be "refugees" within the narrow definition of the Act.

(4) The requirement that a "refugee" be living away from his traditional home has excluded many tragic victims of disaster whom I am sure the Congress intended to admit. This includes Netherlands' farmers whose land has been ruined by floods of salt water, Greek mountain people whose herds have been despoiled by Communist invaders and many similar victims of catastrophe. The restriction should be relaxed.

(5) The Act contains a salutary provision enacted by the Congress for the benefit of aliens who are here in the United States and who fear persecution if required to return abroad. There is a limitation, however, within this section which has caused undue hardship in some cases. It requires that the person show "lawful entry as a bona fide non-immigrant", before he is eligible for this humanitarian relief.

I recommend to the Congress that the section be amended to permit the Attorney General to waive this requirement in meritorious cases where the person is otherwise qualified under the Act. It is estimated that this would not involve more than a few hundred cases, but in the case of each individual human being such an amendment would satisfy the beneficent purposes of the Congress.

(6) Obviously people who have risked their lives to escape from totalitarian nations often have no passports. The Refugee Relief Act, however, requires passports and in many cases this has served to defeat the very purpose of the Congress. I recommend amendment to permit waiver of the need for passports and similar documents in the discretion of the Secretary of State and the Attorney General as is already provided in the basic immigration and nationality laws.

(7) Under the Act, no escapee or refugee is entitled to a visa unless there is available complete information regarding his history for two years past, except on waiver by the Secretaries of State and Defense, if it is determined to be in the national interest.

No such requirement is applicable in the case of regular immigrants under the Immigration and Nationality Act of 1952.

This two year history, in the case of recent

escapees, is often impossible to obtain. Yet these are the very people who have been actively stimulated to risk the perils of escape by our own information program broadcast through the Iron Curtain.

I have faith in the competence of our security personnel, and I recommend that this inflexible requirement be eliminated from the law, leaving it to the sound discretion of the security officer to make his recommendation on the basis of all the facts available. If he is in doubt, he will not certify the refugee or escapee as a proper security risk.

(8) Another obstacle to the achievement of the purposes of the Act is the requirement of individual sponsorship and guarantees of each application for admission. Where responsible, voluntary welfare organizations are prepared to give assurances with respect to applicants by name, it is unnecessary to add the burdensome requirement that individual sponsorship of each such applicant also be provided. I recommend that where such agency assurances are given, individual assurances not be required in addition.

(9) At present, special visas may not be issued to wives, husbands or children of persons admitted under the Act unless they all come to the United States together. If the members of the person's family are following at a later time and are otherwise admissible, then the special visas should be equally available to them.

(10) There are many refugee families in Western Europe whose members would make useful and productive citizens of the United States, but who would face separation if they should avail themselves of the provisions of the Refugee Relief Act. This they are unwilling to do. They would face separation because of the fact that one of their members is ineligible for admission to the United States under the health standards of our general immigration laws, particularly as respects tuberculosis.

We in the United States no longer regard tuberculosis with dread. Our treatment standards are high and modern treatment is increasingly effective. The United States, to its own benefit, could permit many of these families, within the existing numerical limitations, to enter under safeguards provided by the Attorney General and the Surgeon General of the United States assuring protection of the public health and adequate treatment of the afflicted individual and also assuring that such

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individual will not become a public charge. I urge that the Congress give consideration to amendments that would enable this to be done.

It is my earnest hope that the changes in the Refugee Relief Act that I have above outlined can be accomplished during the present session of the Congress.

The enactment of these changes will permit effective administration of the Act by the Executive branch of the Government and greatly aid the success of the program. The persons permitted to enter the country under the program will make a fine contribution to the body of our citizens. And we shall again reaffirm that the great tradition of sanctuary lives on in America.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
May 27, 1955.

Release of Captured U.N. Command Airmen

Following are texts of statements made to correspondents on May 30 by a spokesman for the Department of State and by Henry Cabot Lodge, Jr., U.S. Representative to the United Nations.

Department Statement

The news that four American airmen of the United Nations Command captured during the Korean War will be released by the Chinese Communist regime is welcome.¹ The United States Government is gratified that the prolonged and unwarranted separation which these airmen and their families have endured with such great patience and fortitude will soon be brought to an end. It is the earnest hope of this Government that the release of these airmen signifies the intention of the Chinese Communist regime to act swiftly to release the other American citizens, civilian as well as military, whose continued imprisonment in Communist China has profoundly aroused the American people. Such action on the part of the Chinese Communist regime would eliminate one cause of international tension.

¹ The flyers released on May 31 were First Lt. Lyle W. Cameron, Capt. Harold E. Fischer, First Lt. Roland W. Parks, and Lt. Col. Edwin L. Heller. For background, see BULLETIN of Dec. 20, 1954, p. 934.

Statement by Ambassador Lodge

Secretary-General Dag Hammarskjold deserves great credit. His patience, his skill, his tirelessness merit our gratitude and admiration. From the day the United Nations resolution was passed last December,² he has left no stone unturned.

May the release of these four jet pilots be speedily followed by the release of the other prisoners.

Talks Concerning U.S. Citizens Held in Communist China

Following is the text of a statement made to correspondents on June 1 by a spokesman for the Department of State.

As part of a series of talks that have been in progress ever since the Geneva Conference last summer, our Consul General at Geneva, Mr. Franklin C. Gowen, has just had another conversation with the Chinese Communists. On May 16 he requested a meeting with the Chinese Communist representative to take up again the question of the continuing detention and the welfare of American citizens in Communist China. The Chinese Communists agreed to meet with Mr. Gowen on May 30.

The meeting was held at the Hotel Beau Rivage at Geneva where the other meetings have also been held. At that time the Chinese Communist representative informed Mr. Gowen of the prospective release of the four Air Force men, who have been released, and a statement was volunteered that the purpose of their release was to relieve international tensions. Mr. Gowen reviewed the plight of the other Americans still held and he renewed his request for information that had been promised on all cases of Americans imprisoned or otherwise detained by the Chinese Communists. He presented revised lists of Americans, both military and civilians, held in Communist China, and he renewed demands for their release.

In the lists which Mr. Gowen presented, there were 53 names, as follows: 42 civilians, of whom 25 are imprisoned, four are under house arrest, and 13 have been refused exit visas; and 11 military admittedly being held by the Chinese Communists, as well as the 11 Navy and Coast Guard

² BULLETIN of Dec. 20, 1954, p. 932.

personnel whom the Red Chinese have specifically denied they hold.

With reference to cases of Chinese students in the United States, the Consul General pointed out that restrictions have been removed and that those students who have expressed a desire to return to their home in China are free to do so.¹ That has been known for some time. Nevertheless, the Consul General stressed it again.

Some Economic Aspects of the Cold War

*by Under Secretary Hoover*²

The Western World, for a good many years now, has been engaged in a so-called cold war with the Communist nations and their satellites. The struggle has been going on in many parts of the globe, under a wide variety of local conditions, and with considerable deviations in the degree of coldness—or warmth—depending on what standards of measurement one wishes to apply under such circumstances.

This cold war has many sides and many aspects. For the purpose of this analysis, however, it may be divided into three general categories: namely, the military, the political, and the economic.

On this occasion I would like to explore with you, briefly, certain of the economic aspects; but before doing so, a short review of the existing military and political situations may be interesting as background.

Within the last few months, there have been many new developments on the international scene. West Germany has now joined NATO, and takes her place beside the United States, Canada, the United Kingdom, France, Italy, Belgium, the Netherlands, Luxembourg, Norway, Denmark, Iceland, Portugal, Greece, and Turkey. It is an imposing group of free nations, banded together for their own defensive security. They are a

The Chinese Communist representative stated that he would send a report of the meeting to his government, together with the revised lists of Americans held in China, and he said that the questions Mr. Gowen had raised would be examined and he would reply later. No date has been set for another meeting. Presumably that will await word now from the representative of Red China.

formidable barrier to Soviet military aggression in Western Europe.

On the political side, under the Brussels Pact, the Western European Union has come into being, and the Federal Republic of Germany has now become a free and sovereign nation.

In the Middle East, it is encouraging that Turkey, Iraq, Iran, and Pakistan appear to be drawing into a close and effective defensive alignment with each other. These countries, often known as the Northern Tier, have many ties with the Western World.

In the Far East there has also been a growing awareness of the threat of Communist military aggression. The Philippines, Thailand, and Pakistan have joined with the United States, the United Kingdom, France, Australia, and New Zealand under the Manila Pact to safeguard themselves and Viet-Nam, Laos, and Cambodia against external aggression and subversion. In addition, the United States has bilateral treaties of defense with Japan, Korea, the Philippines, and Nationalist China. We have also a separate trilateral agreement with Australia and New Zealand.

The fact that many free nations of the world have effectively armed themselves and have joined together in their common defense has made it apparent that further outright military aggression by the Communists carries with it the risk

¹ For background, see BULLETIN of Apr. 11, 1955, p. 627.

² Address made before the Graduate School of Business Administration, Harvard University, Cambridge, Mass., on May 18 (press release 273).

of losses to the Soviet bloc out of all proportion to the gains that they might achieve.

In the next few years there may be many changes on the military and political fronts throughout the world. But if the free nations remain strong militarily and unified politically, there is excellent reason to believe that a fighting war can be avoided.

Military and political strength, however, are basically dependent upon economic strength, and without a strong economic foundation, military and political agreements are meaningless.

It is on the economic front where the most interesting and significant developments may well have taken place, though they may not have made the headlines in such spectacular fashion as events in other fields.

The Soviet bloc has found no evidence of economic collapse in the free world. The United States has not had a major depression, as the Marxists had anticipated. Nor does our economic system appear to be disintegrating. On the contrary, we seem to be in a stronger position than ever before, and there is every indication that we can carry on the present pace indefinitely.

The Communists can have found little comfort in our economic situation. Our system has made it possible for us to attain a per capita income five times higher than the world average. And it has been the bulk of our population that has been the chief beneficiary of this great progress. It is interesting to note that the difference in income between the average factory worker on one hand and management personnel on the other is smaller in the United States than in any other major industrial nation in the world.

A recent study by the Twentieth Century Fund points out, "Worth mentioning is the fact that this momentous development has been taking place not in Communist Russia but in capitalist America. Of all the great industrial nations, the one that clings most tenaciously to private capitalism has come closest to the socialist goal of providing abundance for all."

Across the Atlantic, Western Europe is enjoying a higher industrial prosperity than at any time in its history. The per capita income and business activity in the Western European nations is higher than it was before World War II. Economic expansion in Latin America is going on at an even faster pace than it is in the United States.

Soviet Economic Policy

In contrast to the situation of growing economic strength and prosperity in the free world, the Communist bloc is faced with discontentment in the satellites and continuing difficulties at home. It is true that the Communist bloc's industrial power, primarily in the field of heavy industry, has been growing. As compared to 1940, Soviet production of coal is up from 166 million tons a year to 345 million tons in 1954; steel is up from 18 million tons to 40 million tons; crude oil from 31 million tons to 59 million tons; and in electric power there has been an increase from 48 billion kilowatt hours a year in 1940 to 146 billion in 1954. However, there has been no proportionate increase in the standard of living of their people. And this has been the result of the deliberate policy of the Communist government.

Their object is, of course, to concentrate their resources and energies on increasing the military and economic might of the country. This year, for example, they chose to raise their direct military allotment by 10 percent to 110 billion rubles. This expenditure will be the largest in any post-war period and represents four-fifths of the amount which was spent during the peak of the war years, that is, in 1944.

According to the admission of Soviet authorities, less than 10 percent of total investment is devoted to consumer-goods industries. Of the Soviet gross national product, only some 40 percent goes to human consumption, compared to above 70 percent in the United States.

Total agricultural output in the Soviet Union in 1954, by Moscow's own figures, was less than 10 percent above the prewar level. And more than half of the Soviet labor force is engaged in agriculture. Total grain output last year was even smaller than in 1940. Livestock numbers on the whole are about equal to 1940, but are still below the precollectivization year of 1928. As a result, the Soviet population, increasing now by more than three million persons each year, is still forced to get along with a basically bread-and-potato diet. The Soviet Union has tried various schemes to increase agricultural output. But none of them was directed at the root of the trouble: the collective farm system, which has so far been more successful in producing apathy among the peasants than in augmenting the food supply.

In the field of agricultural production, the dif-

ferences between Communist and free world philosophies become particularly significant. It is interesting to pause for a moment because it is in this area that fundamental weaknesses of collectivist economies become apparent when compared with the free enterprise system. The United States has developed an agricultural system based on individual incentive, which has produced more than enough food for our population, and yet we have the lowest percentage of people employed in agriculture of any country in the world. In fact, with our ten billion dollars of surplus products now in the hands of the Commodity Credit Corporation, we may perhaps have somewhat overdone it. Nevertheless, most other countries which have similar systems to ours have also but to a lesser degree, followed in our own experience.

It is also interesting to note that those countries which have adopted varying degrees of socialism and regimentation in their price structures have experienced corresponding declines in their agricultural outputs. It is a continuing demonstration of the inherent soundness of the free enterprise, incentive system.

The international petroleum situation is another excellent illustration. Here, perhaps more than anywhere else, the private enterprise and collectivist systems have come face to face.

The Struggle for Petroleum

The Communist pattern, the world over, has been concentrated for many years toward the nationalization of petroleum resources wherever the opportunity presented itself. Their objectives were many and varied. First, it was an attempt to deny petroleum resources to the Western World, in time of emergency, by setting up a system of individual governmental monopolies in each of the producing countries. They apparently believed that such organizations could be easily infiltrated and that their operations could be directed toward Communist objectives. Secondly, it provided an ideal platform from which to fan the flames of nationalism and to provoke misunderstandings and antagonisms on an international scale. It also created excellent opportunities for stirring up industrial unrest, for undermining the private enterprise system, and for promoting the thesis of state socialism.

I have watched the struggle at first hand in many corners of the world over the last 20 years.

It has been an absorbing experience. The contest is by no means over, but the present trend must be a discouraging one from the Communist viewpoint.

Those countries which have nationalized their petroleum resources and have engaged in governmental operation have been constantly in technical, financial, and management difficulties. The cases of Iran, Argentina, and Bolivia are well-known examples of the point. On the other hand, the economies of Venezuela, Canada, Saudi Arabia, Iraq, and Kuwait, where private enterprise has been allowed to operate, have developed to an unprecedented degree. Iran and Argentina have now made the decision to return to the free enterprise system, and Bolivia gives every indication of doing so.

There are few more dramatic demonstrations of the vitality and resourcefulness of the private incentive system in the world today than that which has taken place in the petroleum field.

There are many other examples that could be cited, the world over, each with its specialized circumstances and its particular surroundings.

In many instances, our Government is playing a part, either directly or indirectly. For example, every possible effort is being made to help the countries of Latin America in their plans for growth and economic expansion. They need, and can use advantageously, relatively large amounts of capital. Like our own country, most of them are firm believers in the private enterprise system. Yet, in the absence of large-scale private foreign investments, there is a great temptation to resort to government-to-government financing. Although such public loans could not begin to satisfy the legitimate needs of their economies, even if they were available, the net effect would be to force their Governments into the operation or ownership of many industries which would otherwise be in the hands of private enterprise. Unless carried forward with extreme care, such loaning policies will discourage, rather than promote, individual initiative. Wherever possible, therefore, our Export-Import Bank has endeavored to make direct loans to business exporters to aid Latin American industry, although the funds available from that source cannot begin to equal those which are potentially available from private sources.

The answer, of course, is to facilitate and encourage private foreign investment at every pos-

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sible opportunity. It is the surest way to combat collectivism.

There are many similar problems facing us in the world today. I have only touched on very few.

But if we examine further into these two diametrically opposed philosophies, we find case after case and instance after instance where the free enterprise system has been challenged by collectivist concepts. In fact, our system has been fought by Communist groups to such a degree and to such an extent that it is obviously one of the primary targets in the entire cold war episode.

Furthermore, in the years to come, if the military and political tensions become less, there is evidence that more emphasis than ever will be placed upon the fundamental economic issues which exist between these two basically opposed ideologies.

It is not enough that we should simply adopt a passive belief in our own system. We are faced with aggressive and fanatical opponents, who on many occasions have said that from their standpoint the two ideologies cannot exist side by side in the world. They have repeatedly stated that their long-term objective is to destroy our system and replace it with theirs. With the constant twistings and turnings of the Communist line, we must always remain fully alive to this basic objective.

Of the outcome in this struggle, I have not the slightest doubt. The developments of the last few weeks have demonstrated that with real strength and unity of purpose in the free world we can begin to negotiate for true peace. It will be a long road and perhaps at times a discouraging one. But if we have faith in our principles and faith in our system, we can face the future with confidence.

As you go out into private business and industry, both at home and abroad, and take over your share of responsibilities, you will become the real representatives of the private enterprise system. The policies you follow and the decisions you adopt will have a vital and increasingly important part in the preservation of the institutions that we believe in.

You will have an unprecedented opportunity for industrial statesmanship and leadership of the highest order.

I believe it is also important that you manage

your time and work in a way that will enable you to keep informed of our Government's policies in the foreign field. Increasingly these policies have an important impact on our daily lives and business activity. From what I know of the high standards observed by you as a group, I have every confidence that you will make a contribution to good government, helping shape sound foreign policy as well as achieving personal success in business and industry.

Negotiations With Japan for Sale of Agricultural Commodities

Press release 300 dated May 27

Representatives of the Governments of Japan and the United States concluded negotiation of an agreement at Washington, D. C., on May 27, 1955, for the sale for yen to Japan of agricultural commodities, having a total value, including certain transportation costs to be financed by the United States, of \$85 million. These commodities will be made available pursuant to Title I of the Agricultural Trade Development and Assistance Act (Public Law 480, 83d Congress).

A major portion of the sales proceeds will be used by the Japanese Government on a loan basis for economic development purposes. The balance of the proceeds will be used by the United States for various purposes including the purchase of goods in Japan for other friendly countries, educational exchange, agricultural market development, and expenditures of the U.S. forces in Japan principally for the housing program under U.S. Public Law 765.

The agreement will be formally signed at Tokyo within the next week or 10 days. Initiation of sales under the program will get under way shortly thereafter. The agreement is subject to approval by the Japanese Diet.

Letters of Credence

Costa Rica

The newly appointed Ambassador of Costa Rica, Fernando Fournier, presented his credentials to the President on June 2. For the text of the Ambassador's remarks and the text of the President's reply, see Department of State press release 307.

A Time for Decision on Foreign Economic Policy

by Samuel C. Waugh

Assistant Secretary for Economic Affairs¹

Our Middle West was at one time spoken of as the stronghold of isolationism. If this was true 20 years ago, it is certainly not true now, for today isolationism has no stronghold anywhere in the United States. The overwhelming majority of Americans now understand that this country can never again turn its back on the rest of the world. For better or worse, we are a part of and a tremendous force in that world, whether we like it or not.

If we should decide, and of course we will not, that we need not be concerned with anything outside our boundaries, our way of life would at that moment become a very poor risk. Surely one of the leading facts of our time is that our national security—meaning our assurance of continuing to enjoy individual freedom and rights and self-government—depends not alone on our own strength, great as it is. It depends also on having allies—strong, free, and friendly, not dominated by us or anybody else but cooperating with us, as we must cooperate with them, as partners with common objectives.

This cooperation cannot be political and military only. It must rest on a sound economic base. In my opinion military and political alliances, important and fundamental as they are, are built on sand unless they have sound economic foundations. The free world certainly cannot be strong unless it is healthy economically. Two countries cannot stand together very firmly if one is acting in disregard of the other's aspirations toward a higher standard of living. If the United States, for example, were to use its enormous economic

strength in total disregard of the interests of other countries—if we wrecked world markets by flooding them with surplus agricultural products at subsidized prices, if we refused admission to all imports except those that we are utterly unable to produce ourselves, if we refused to sit down with other governments and discuss mutual economic problems in a cooperative way—then we might find ourselves pushing free countries behind the Iron Curtain.

That is almost the last thing that any American would want to do. We must not and we will not do it.

The Will To Cooperate

So we improve our own national security by improving that of other countries. We strengthen ourselves by strengthening them and by strengthening our ties with them. We go at this positively and energetically, not merely defensively. Mutual strength and prosperity would be good, even if there were no such thing as a Communist threat. I am convinced that the cooperative way is the way in which the world must increasingly move, if mankind is to continue to have a promising future.

The principle of *international* cooperation for *individual* well-being and freedom is the only solid guide to national security. It is the most advantageous course economically for all peoples, here and elsewhere. And it is the right moral principle, the one that accords most closely with the great ethical concept of doing unto others as we would have them do unto us.

The Communists say that our way of life is decadent, that capitalist nations are predatory and imperialistic, that we can't get along together eco-

¹Address made before the Chamber of Commerce, Kansas City, Mo., on May 25 (press release 289 dated May 24).

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nomically and will fight among ourselves. They are mistaken. The future does not belong to communism, or any other form of totalitarianism. The wave of the future is dynamic individual freedom, furthered and protected by closer and closer international cooperation—including economic cooperation.

I could not be confident of this if I thought that the free world's will to cooperate would break down. One reason we may have faith in the ultimate spread of individual freedom throughout the world is that the major free powers, including the United States, have realized that their own security rests on the security of others.

Now, if anyone thinks I am arguing that the United States has to sacrifice its short-term interest in order to cooperate with other countries of the free world for our long-term benefits, he is very much mistaken. That is not the situation at all. Economic cooperation is in our short-term and long-term interest. Trade, for example, is not merely something that helps us in the long run by helping other countries now. Our own economy needs trade—right now—in ever larger quantities.

You often hear it said that, in order to export, we must import. That is perfectly true. But both imports and exports are beneficial in themselves. Imports are not just a nuisance we have to put up with in order to sell goods abroad. Imports help to give all of us, the consuming public—165 million strong—a wider variety of choice in the things we buy. Much of our industry, including vital defense plants, could not operate without materials from abroad, for even our rich country is not self-sufficient. On the other side of the coin, our exports are far more important to our economy than many people realize.

It is estimated that some 4½ million jobs here in the United States are attributable to work generated by our imports and exports. We have become the world's largest trader, accounting for about 15 percent of the world's total imports and about 20 percent of its exports. In dollar terms our foreign trade in merchandise is estimated for 1954 at \$10 billion in imports and \$15 billion in exports. If you include goods and services, and military transfers, our trade amounted to over \$15 billion in imports and over \$20 billion in exports. The farm production of one out of every ten acres is consumed outside the United States. Our farmers sell to foreign countries from 25 to 35

percent of their wheat, cotton, and tobacco. Fifteen percent of our production of motor trucks and buses is sold abroad, 13 percent of our farm machinery, and 10 percent of our machine tools. Last year our exports of metals and minerals came to over \$2 billion. These are merely illustrations.

President's Economic Program

Because of all these considerations that we have been discussing today, there is no wonder so many aspects of United States foreign policy are economic in nature. Last January 10, when the President sent his foreign economic program to Congress, he explained the objectives of the program in these words:²

The Nation's enlightened self-interest and sense of responsibility as a leader among the free nations require a foreign economic program that will stimulate economic growth in the free world through enlarging opportunities for the fuller operation of the forces of free enterprise and competitive markets. Our own self-interest requires such a program because (1) economic strength among our allies is essential to our security; (2) economic growth in underdeveloped areas is necessary to lessen international instability growing out of the vulnerability of such areas to Communist penetration and subversion; and (3) an increasing volume of world production and trade will help assure our own economic growth and a rising standard of living among our own people.

Now, what sort of actions did the President consider necessary to these ends? May I just remind you of the various points in the President's program?

The first was a 3-year extension of Presidential authority to negotiate tariff reductions with other nations on a gradual, selective, and reciprocal basis. This proposal was embodied in a bill which has become rather famous as H. R. 1, which means "House of Representatives No. 1," the first House bill in the present Congress. H. R. 1 was adopted by the House on February 18 and by the Senate, with certain amendments, on May 4. A conference committee of Senators and Representatives is meeting this day to reconcile the differences between the Senate and House versions.

The next point in the President's message was the strengthening and improvement of the General Agreement on Tariffs and Trade. He said he would submit the revised organizational provisions of the general agreement to the Congress. This submission had been recommended by his

² BULLETIN of JAN. 24, 1955, p. 119.

17-man nonpartisan Commission on Foreign Economic Policy headed by Clarence Randall. More about the proposed Organization for Trade Cooperation in a moment.

The President also asked for further simplification of customs procedures. He proposed several actions to stimulate the flow of private investment abroad from our country. He called for United States membership in the proposed International Finance Corporation, which will be affiliated with the International Bank for Reconstruction and Development. He urged that United States participation in technical cooperation programs be carried forward. In a separate message, on April 20,³ the President sent his annual mutual security program to the Congress, outlining the amounts needed not only for technical assistance but also for military and economic aid, with emphasis on the arc of free Asia.

Other points in the January message included the encouragement of travel abroad by Americans and the continuance of a program for United States participation in trade fairs overseas.

Now there you have quite a number of pieces. They all fit together to make up a program. All of them contribute to our prosperity, to our safety, to the stability and confidence of the free world, and to the future prospects of mankind in general. These are moderate and feasible steps. If all of them, or at least all of the major proposals, are put into effect, an impressive advance will have been made for economic freedom. If, on the other hand, a major portion of this moderate program were to be defeated, our foreign policy and its objectives would have received a serious setback.

Organization for Trade Cooperation

Today I choose but one item in the program to talk about at some length—the proposed Organization for Trade Cooperation.⁴ It seems that almost everything has to be called by its initials, not only in Washington but also in international gatherings. So the Organization for Trade Cooperation, even before its birth, is being referred to familiarly as OTC.

The OTC proposal is embodied in a bill called H. R. 5550 (Fifty-five Fifty). That is not as easy to remember as H. R. 1, but it has a certain

³ *Ibid.*, May 2, 1955, p. 111.

⁴ For text of OTC agreement, see *ibid.*, Apr. 4, 1955, p. 579.

swing to it. One of the famous old American slogans of the last century was "Fifty-four Forty or Fight." Now economic measures are generally not as dramatic as boundary disputes, and it is unlikely that any foreign economic proposal would be sufficiently exciting to the general public—or sufficiently understood—to become eligible for slogan treatment. If matters were otherwise and intrinsic importance were the sole standard of public enthusiasm, it is conceivable to imagine we might be hearing "Fifty-five Fifty Is Right" or maybe something like "Fight for Fifty-five Fifty."

Seriously, however, the OTC is of far greater significance than is generally recognized. It is important to our own economic health. It is important to the national security of the United States. It is important to the strength and solidarity of the free world.

A good deal of misinformation has been let loose concerning the Organization for Trade Cooperation. Some people are even saying that your Government is trying to hand over to foreign countries the power to set United States tariffs. This is ridiculous and untrue. The Organization for Trade Cooperation would simply be a more effective way of administering a very sound and valuable agreement in which the United States has been participating for more than 7 years.

History of Trade Cooperation

The proposal for an Organization for Trade Cooperation did not suddenly spring out of the blue. It is the logical and reasonable culmination of the history of trade cooperation in the last few decades. This history is extremely interesting, though it is not so well known as the history of military campaigns. There have been ups and downs in trade cooperation, but the main trend has been toward what we might call a higher degree of civilization and further away from economic barbarism.

In the period following the First World War, tariffs and other kinds of trade restrictions were found everywhere growing like weeds, creating a rather unsightly and unhealthy tangle. As an improvement to the situation, the bilateral trade agreement (between two countries only) arose in the 1930's as an instrument of trade cooperation. The United States signed many agreements of this sort, in which both sides reduced certain of their tariffs on a reciprocal basis. These agreements

were made by the President under the authority delegated to him by the Trade Agreements Act, which first came into being in 1934 and has been continued ever since.

Besides containing tariff concessions on both sides, our bilateral agreements also contained trade rules or principles which both governments agreed to abide by. For example, there were rules against quantitative restrictions on imports, because a tariff reduction on a product would of course not stimulate trade very much if imports of the same product were severely limited as to quantity. Another rule was the time-honored "most-favored-nation" principle that has become traditional with most countries. Under this principle, whenever any government grants a tariff reduction to another country, it applies the same reduction to the like products of all other countries, even without receiving any concessions from those other countries in return.

Bilateral agreements are much better than none, but they have their limitations. It takes many negotiations to accomplish any real reduction in trade barriers. And the bilateral approach had another defect which can be illustrated as follows: When a country negotiated with the United States, it often withheld a tariff concession on a United States product because it was "saving" that concession for some possible future talks with another country which was a larger supplier of that specific commodity and might grant larger concessions in return. These circumstances made the reduction of tariff barriers slower and more erratic than it might have been. And still another handicap in those days was the lack of a uniform set of fair trade rules. Such rules as existed in bilateral agreements—for example, in the agreements to which the United States was a party—were not of sufficiently general application to prevent quite a lot of cutthroat unfair competition, with countries retaliating and re-retaliating against one another and everybody losing in the long run.

The limitations of the bilateral approach led many countries, and especially the United States and the British, to see a need for a system of multilateral trade cooperation, embracing many countries all in one agreement. Besides, the frightful economic dislocations of World War II brought a new and urgent reason for general adherence to some fair trade rules. During and immediately after the war, there were many countries that had little to export and therefore little means of pay-

ing for imports. Governments felt it necessary to clamp all manner of controls on trade in order to channel it toward filling the most pressing national requirements. So you had another alarming crop of weeds: import restrictions, discrimination as among nations, and what not.

General Agreement on Tariffs and Trade

Under the circumstances, a group of countries, the United States prominently among them, got together and negotiated the General Agreement on Tariffs and Trade, which is often known simply as the GATT. I seldom call it that myself because the words "general agreement" are more descriptive of what it really is. But it does seem that nearly every institution under the sun has to go by its initials, and I am forced to admit that the nickname "GATT" is probably here to stay.

The General Agreement on Tariffs and Trade officially came into being in 1948. Yet, despite its great historic importance, most Americans, even today, if you interviewed them on the street and asked them about the general agreement, would give you a blank look. Even among many people who have heard of it, an impression seems to prevail that it is a very mysterious animal, possibly on the order of the Abominable Snowman of Mount Everest, impossible to understand or even to see.

Well, as this audience knows, there is really no mystery about it. I have a copy of the general agreement right here in my hands. Take a good look. The General Agreement on Tariffs and Trade is what the name says. It is a *trade agreement*. Instead of having only 2 contracting parties, it has 34. In other words, 34 governments have signed on the dotted line. These countries carry on about four-fifths of the international trade of the entire world.

Now what is in the general agreement?

First, the general agreement contains tariff schedules of the contracting parties—schedules showing the tariff concessions that the countries have given to one another at negotiating sessions which have been held from time to time. Some of these concessions are tariff reductions; others are agreements not to raise certain tariffs. So far there are about 58,000 of these concessions granted by the 34 countries.

Then the general agreement also contains a set of rules for fair trade, along the lines of the rules which used to be included in the bilateral agree-

ments of the United States. Now these rules, or principles, have certain exceptions, written into the general agreement, to take care of genuine problems that various countries have. The exceptions make for a certain amount of flexibility, without which, under the conditions of the last 10 years or so, the general agreement probably could not have been concluded.

And finally, the general agreement contains provisions under which the 34 contracting parties can consult among themselves and straighten out differences of opinion that inevitably arise.

Benefits of the GATT

All in all, the general agreement has been a tremendous step forward in the trend toward more orderly and peaceful promotion of the international trade that is so beneficial to all concerned. Let me just give you a couple of examples of how the export trade of the United States has benefited from these arrangements. One of our good friends among the Latin American countries once placed import restrictions on United States textiles that amounted to almost a total embargo. Hundreds of thousands of dollars' worth of textiles and related products from the United States were held on the docks or in customs warehouses. When the country in question failed to remove the restrictions, the matter was brought before the contracting parties to the general agreement, and after discussion the other country promptly took steps to relieve the situation. More recently, European countries removed or reduced import restrictions on shipments of United States coal, apples, automobiles, and hardwoods—and many other examples could be given.

The United States has participated in the general agreement under the authority contained in the Trade Agreements Act, which since 1934 has authorized the President to make reciprocal arrangements with other countries to reduce tariffs.

The GATT, of course, is not an organization in any formal sense. It is an agreement. The agreement has been administered by the contracting parties themselves, coming together for periodic discussions. The whole group of countries, plus a small secretariat in Geneva, constituted the administrative machinery. This is a rather provisional and makeshift arrangement. It has long been recognized that the general agreement, valuable as it has been, would be even more effective

if there were a permanent organization to administer the terms of the agreement on a continuing basis.

Need for OTC

That explains why we now propose to establish an Organization for Trade Cooperation. The OTC would not replace the general agreement. It would administer the general agreement. It would not have any powers to impose new commitments on nations. It could not impose obligations or sanctions upon the contracting parties. In other words, it would not be what is sometimes known as a supranational body. It would not even conduct tariff negotiations but would merely sponsor negotiations in which the parties to the general agreement would get together as before to work out reciprocal tariff concessions.

The proposed Organization for Trade Cooperation would consist of an Assembly of all the 34 countries; an Executive Committee of 17 governments, which would always include the 5 countries of chief economic importance; and a Secretariat to do the necessary housekeeping.

There is nothing radical about this. There is nothing unconstitutional in it. The OTC, as I have already said, is the natural and logical culmination of the long trend toward more orderly and effective trade cooperation.

President Eisenhower, in his January message, served notice that he would submit the question of United States membership in the OTC to the Congress for approval. He did submit it on April 14,⁵ and to accomplish this purpose H. R. 5550 was introduced in the House of Representatives. Congressional approval of United States membership in the OTC will clear the air and remove any doubts that might have lingered as to where our great country stands on the issue of trade cooperation.

A Time for Decision

The choice that confronts the United States is just this:

We can join with the rest of the free world in this new organization and thus give an important boost to the future prospects of world trade—a boost to stable and orderly international relations, and therefore to our own prosperity and security.

⁵ *Ibid.*, Apr. 25, 1955, p. 678.

Or we can refuse to join. If we refuse to join, the organization will not come into being. And the forward step will not be taken. But that's not all. Our refusal would mean not only a failure to advance but also a serious backward step, because the foremost trading nation, the most influential nation economically, would in effect be saying to the world that it was not sure an expanding trade volume and friendly trade cooperation were worth supporting, after all. Regardless of whether this represented the true voice of the American people, you can take it from me, based on my personal experience, that is the way other countries would interpret our refusal. There would be a draining away of some of their confidence in us and some of their confidence in their own economic future. The whole system of international trade cooperation that has been built up so carefully throughout the years would have been dealt a serious blow, and in time, if nothing were done to remedy the situation, the system might wither and die. If that were allowed to happen, it would be detrimental to the security of the United States.

All this being true—and I believe with all my heart that it is true—whence comes the opposition to United States membership in the Organization for Trade Cooperation? Why should there be any serious question of what the United States will do?

First of all, I do not think there is any question that the vast majority of Americans who are informed about the Organization for Trade Cooperation are in favor of the idea. Businessmen like yourselves, who engage in foreign trade, are overwhelmingly for it. Farm groups are for it. Labor organizations approve. And so do consumer groups.

Recently there has come to my attention a most interesting study issued by the Center for International Studies at the Massachusetts Institute of Technology. This study is based primarily on a poll of 903 American business leaders, all of them heads of firms with over 100 employees, conducted for M.I.T. by the National Opinion Research Center.

The results showed what might be expected—that most businessmen are in favor of the President's trade program and are in favor of lowering tariffs rather than raising them. The proportion who favored lowering tariffs was more than seven times as great as the proportion who favored raising them—38 percent as compared with 5 percent. Thirty-one percent wanted to leave tariffs as they are and an additional 22 percent had no opinion, while 4 percent refused to generalize.

However, this did not necessarily mean a firm, militant, crusading support for the President's program. The M.I.T. report had this to say:

Supporters of expanded world trade are often passive head-nodders rather than crusaders. While at this time relatively few business executives are still principled protectionists, these remaining proponents of protection are better organized, more active than their opposition. . . . The greatest single weakness of the liberal or administration side in the struggle over world trade barriers is not a lack of supporters but a lack of supporters who care. . . . As a result, Congress hears primarily from a small but vocal segment of American business.

In contrast with the appeal of this "small but vocal segment," listen to these words from the President of the United States in his great speech of April 25 at the annual luncheon of the Associated Press:⁶

The issue is clean cut. Either we foster flourishing trade between the free nations or we weaken the free world and our own economy. Unless trade links these nations together, our foreign policy will be encased in a sterile vacuum; our domestic economy will shrink within its continental fences. The enlargement of mutually beneficial trade in the free world is an objective to which all of us should be fully dedicated.

Let us ponder the President's words. The President's program for trade cooperation will prevail. But it will take more than large numbers of supporters. It will take supporters who *care*. Those who care will take a responsibility for helping to bring about wider public understanding of these issues.

This is truly a time for decision.

⁶ *Ibid.*, May 9, 1955, p. 751.

Technical Cooperation as an Instrument of Foreign Policy

by Willard L. Beaulac
*Ambassador to Chile*¹

I should like to talk to you today about technical cooperation.

Some 4,400 of our citizens in the employ of our Government, 1,650 of them in Washington and 2,750 of them abroad, today are helping to teach people in 58 countries and territories such things as how they can wipe out malaria and reduce the incidence of amebic dysentery; how they can improve the breed of corn they produce and the breed of hogs they raise; how they can speed up and tighten up that new and still unfamiliar industry so that it will turn out a better product more cheaply; how they can increase average per capita income from less than \$100 a year, as in the case of a number of our neighbor American Republics, to, say, \$200 or \$300 a year or more; and how they can achieve healthier and more satisfactory living out of whatever they may earn or receive.

This year those 4,400 Americans will spend an estimated \$105 million giving technical assistance to other countries. That is not a great deal of money, except perhaps to us taxpayers, but it is nearly as much as it costs to run the State Department and the Foreign Service, which have the responsibility of conducting our foreign relations at a time when it is no exaggeration to say that upon the state of those relations may depend whether we survive as a nation. The program is certainly big enough that we can expect it to produce important results.

I believe it has produced important results and that it can be made to produce much more important results in the future, when we have painstakingly

learned the lessons that our experience already holds for us and when we have learned to apply those lessons.

Early Experience in Technical Cooperation

Technical cooperation is not a new thing. What is new is the scale on which we are engaged in it. Our Government had had experience in technical cooperation when I entered the Foreign Service more than 30 years ago. For example, we already had the habit of helping other governments in such matters as roadbuilding, in which we had acquired a fund of knowledge and experience. We thought it was a fine, neighborly thing to teach other countries how to build good roads. We also hoped that good roads in other countries would promote the sale of automobiles, and we wanted foreigners to own as many automobiles as possible, especially American automobiles. We had already learned two excellent reasons for technical cooperation years before it was embodied in a bold, new program that was to capture the imagination of the world under the drab name of point 4.

We also had developed the habit of helping other governments in their health problems. Here, again, there were two reasons for our help. We sincerely wanted other peoples to enjoy the superior health standards that we were beginning to acquire. Also, we didn't want our own health to be undermined by epidemics that might start in someone else's territory. We could learn to keep out immigrants whom we didn't want, but yellow fever and malaria mosquitoes carry no passports and are no respecters of political boundaries; so we found that in order to keep our own yard clean we sometimes had to help clean up our neighbor's.

¹ Address made on the occasion of his receiving an award for distinguished public service from Rhode Island University, Kingston, R.I., on May 19 (press release 268 dated May 17).

We had learned another good reason for technical cooperation.

There are many additional reasons for technical cooperation that are cited by persons who engage in it as an occupation, or who regard it as the solution to all our most urgent problems, or who are charged with the duty of obtaining funds for it from a sometimes reluctant and skeptical Congress. Most of those reasons, it seems to me, are good ones. In fact, it is difficult to argue against technical cooperation in principle. And yet, it is a very difficult, not to say delicate, operation to engage in and one full of pitfalls for the merely starry-eyed and for other unwary persons.

First Large-Scale Programs

We got our first experience in large-scale technical cooperation in the other American Republics during the Second World War. There were a number of reasons for embarking on these wartime programs.

Our war effort required the greatest possible amount of political and economic support from the other nations in this hemisphere. We had to see to it that those nations were not thrown into economic and social chaos by dislocation in their commerce caused by the war. We needed the raw materials and the surplus foodstuffs they produced—the petroleum, copper, rubber, and sugar, and the many other useful things they could provide us with and that we could not get in sufficient quantities from other sources. At the same time we wanted to insure that our neighbors did not drain us of supplies that we needed and they lacked.

Following the end of the war there was a feeling among many people inside and outside our Government that now that the war was over we should wind up these wartime programs. There also was a contrary feeling that to terminate the programs, in which the Latin Americans as well as we had invested large sums of money, just because the war had terminated and when many of the programs were only beginning to bear fruit would give the impression that we as a nation were interested in helping our weaker neighbors when, because of war or other emergency, we might have urgent need of their support but that, as soon as the emergency ended, we were no longer interested in their welfare—that we were foul-weather friends, in other words. These people

thought, also, that our unfinished projects in Latin America would be regarded by our neighbors as models not of American cooperativeness but of American incompetence.

I was Ambassador to Paraguay when this problem was being debated here at home, and I gave a long and searching look at our program in that country. I came to the conclusion that I agreed with those who wanted to continue the projects that were still needed. I didn't want the United States to be a foul-weather friend or to be regarded as a foul-weather friend. Furthermore, it seemed to me that in organized technical cooperation we had found a weapon with which to combat poverty and ignorance in many parts of the world and that we should preserve and strengthen that weapon in our own interest. I have never had reason to change my opinion in that regard.

Strengthening the Free World

It is still true that technical cooperation is capable of increasing markets for American goods, of helping to make available the raw materials that the free world requires, and of protecting the health of our people and other peoples, and doubtless it could be justified on those grounds alone. But those are not its real purposes. It has a purpose that is larger than any of those. It is to help strengthen the free world.

All of us recognize, I believe, that we cannot be prosperous in an impoverished world, that we cannot be strong if our neighbors and friends are weak. Technical cooperation is a device to help our neighbors and friends to help themselves. More important still, it is a device that is capable of creating understanding.

All of us have heard time and time again the expression, "It's a small world." That expression, trite as it may sound, is filled with truth—truth that can lead us into flights of optimism concerning the kind of world which modern techniques can make it possible for all people to live in and enjoy; truth that is ominous and forbidding in terms of the power which our country has, today, in a matter of hours, to annihilate millions of persons in distant places of our choosing, and the power that certain other peoples may well possess to do the same to us.

If it sounds trite to say that it is a small world, it sounds almost as trite to say that we live in a

world one part of which is increasingly dependent on other parts. It is this phenomenon, that is clear to anyone who will take the trouble to see, which makes excessive nationalism both anachronistic and perilous to our security and the security of the free world.

Understanding Among Peoples

We hear a great deal about security nowadays, and there is a temptation even on the part of people who realize that it is indeed a small world to think of security only in terms of atomic or hydrogen bombs and of an Army, Navy, and Air Force more powerful than those of any other country. Few persons are tempted today to undervalue the importance of military strength, but it is easy to forget that security depends on other things besides military strength and that without those other things we cannot achieve or retain the military strength needed to guarantee our security. Foremost among those other things is understanding.

Understanding among peoples is the equivalent of many armies, of many navies, and of many air forces. The United States cannot, in any conceivable circumstance, stand alone in the world any more than the rest of the free world can stand apart from the United States. Our security and the security of other free nations depend directly and squarely on international cooperation, cooperation that cannot be exacted but which must be freely given. Cooperation, in turn, flows from understanding—understanding of a country's motives, of its objectives, and of the means it may devise to carry out those objectives. Real cooperation is not possible in the absence of understanding.

One feature of today's world which you students are beginning to be familiar with is its complexity. Not many years ago the Secretary of State of the United States, with only a handful of top assistants, could survey the whole world and feel reasonably confident that he was familiar with the things that were going on that were of importance to the United States. Today, the American Ambassador to a foreign country, who may have helping him as many highly trained and dedicated persons as were in the entire Department of State not many years ago, finds it difficult to keep up with more than a few of the things happening

in that one country which are of interest to the United States.

If it is difficult for Americans to know and to understand what is going on in the world, with the unequalled facilities that we have at our command, imagine how difficult, how nearly impossible it must be for the inhabitants of some distant country where ignorance, poverty, and sickness dwell in nearly every household—a country which in this interdependent world may, nevertheless, be of great importance to us—to arrive at that degree of understanding regarding their relations with the United States which is a necessary prelude and basis for cooperation. Think how much more difficult it is for those people to understand us and to understand why it is in their interest to have a cooperative relationship with us when the international Communists are using every device known to totalitarian propaganda to convince those people that their ignorance, poverty, and sickness result from the circumstance that the United States, which has the highest living standards in the world, simply has much more than its share and that those high living standards have condemned other peoples to want and privation.

It is not enough in the circumstances to preach economics to those people. You know that economics is a difficult subject even for university men and women. You can readily appreciate with what bewilderment, not to say distrust, lessons in economics would be received by those poorly educated and sometimes illiterate people.

What is required, clearly, is improvement in living standards and health and education which will enable those people to arrive at that degree of understanding with us that will serve as a firm basis for the cooperation which is so essential to their security and well-being as well as to ours. Technical cooperation can help to bring this about.

Danger of Misunderstanding

Technical cooperation can help to bring about understanding, and I have seen it lead to understanding, but it is also my observation that it cannot be depended upon to do it. It can even lead to misunderstanding.

Even the effort to explain technical cooperation can lead to misunderstanding. It needs to be explained, of course. If we don't explain it, the Communists will. In fact, they will explain it anyway. The more underprivileged those we try to

help, the more they wonder why we are spending our money to help them. If we say we are doing it for selfish reasons, we seem to some of them to be confirming what the Communists say about us. On the other hand, if we appear to be acting idealistically, we risk awakening the antagonism which some people feel toward those whom they suspect of acting selflessly or out of altruism or idealism.

Even when technical cooperation is accepted graciously and understandingly by those people in a foreign country who give thought to it, the results sometimes are disappointing. One reason for this is, I believe, the tendency to expect too much of it, the tendency to look for quick and dramatic results which, to be sure, do sometimes occur but which cannot be expected to occur in most cases. Another reason is that we cannot do as much as we would like to do because of the shortage of available competent personnel.

Shortage of Competent Personnel

I recall that in one small country where I served our Government agreed to help establish a school for vocational education. The agreement was hurriedly entered into because the end of the fiscal year was approaching and we had some money that hadn't been spent or committed. It was considered a sin in those days to turn any such money back to the Treasury. On the other hand, there certainly was need for a vocational education school in that country. Young men who wanted to learn to be carpenters and plumbers had no way of learning except to watch carpenters and plumbers who were themselves untrained and who, in many cases, were trying to conceal the little they knew in order not to have new and younger competition in the trades. There were no building standards worthy of the name. There were no standard sizes for windows or doors. You never knew whether a door was going to open in or open out. You never knew whether to turn a knob to the right or to the left. All these things tended not only to confuse and confound people, including the people living in the American Embassy residence, but also to make building costs high and wages low. They tended to keep living standards down, in other words.

We signed the agreement to start a vocational education school, and then our people in Washington began to look around for someone to take charge of it. It was wartime, and we learned a

lot about vocational education problems in the United States that we hadn't known before. We learned, for example, that there was a shortage of vocational education teachers in the United States. We learned that there was an acute shortage of competent vocational education teachers. Of the competent teachers, very few spoke Spanish, a necessary requisite for the job our Government had in mind. Of those who spoke Spanish, none, so far as we could find, was willing to go to the country where I was serving. After a delay of months, our people finally sent down a man who could speak Spanish but who was really not fitted for the job. It would have been better if they had waited until they could find the right man, even if that should have required additional years.

Technical cooperation is not an easy job for an American. It is not a particularly well paid job because our Government is limited, for reasons we can all understand, in what it can offer in terms of salaries and allowances. It involves living in distant places, often under conditions that are primitive by American standards. It usually means difficulties in the way of educating children. It may mean exposing yourself and your family to diseases that are not known in this country. It may mean adaption to an alien culture. Some people rise to the challenge that these things represent, and those people make us very proud that we are Americans. But they are limited in numbers.

Technical cooperation is not the only occupation that presents a challenge worthy of the best people we have. There are many other challenges today, and point 4 has to compete for the people capable of meeting them.

The problem of competent personnel may not be unsolvable, of course. With time we can doubtless build up a larger corps of tried and competent people. We may decide to engage foreigners to supplement our supply of Americans, or we may tend more and more to merge our programs with broader programs such as those of the United Nations. But that is another subject. Meanwhile, we cannot hope to get maximum results, in terms of concrete help to other countries or in terms of understanding, unless we send out really competent men to do the job.

Another circumstance that makes it difficult for technical cooperation to achieve the results it is capable of achieving is that it is so often used to treat symptoms rather than causes. For example,

if poor health conditions in a given country are due to poverty and poverty, in turn, is due to faulty economic policies being pursued by the Government, then it stands to reason that a reform of those economic policies can do more for public health in the long run than any amount of technical cooperation in the field of public health that we can reasonably be expected to provide.

Countries create higher living standards for their people, which technical cooperation is supposed to help them to do, by developing their economies. They develop their economies, in turn, by utilizing their human and natural resources—by improving the skills of their people; by exploiting their lands, their forests, their minerals, their rivers, and seas. There is no other way to do the job.

We should be able to assume, therefore, that a country that wants help in raising living standards will do what it can to insure that its natural resources will be developed and utilized. The least that can be expected is that the country will not place obstacles in the way of doing this. And still there are countries that do just that.

There are varying reasons for this phenomenon but, in general, it can be traced to nationalism, usually abetted by Communist propaganda. The Communists, as we well know, try to prevent economic development in the free world. They do this, among other reasons, in order to prevent improvement in living standards. They try to prevent improvement in living standards because they feel, as we do, too, that poverty is their ally.

The Communists know, just as we know, that a country can develop its economy only if it utilizes its natural resources; so they do what they can to prevent this from happening. The Communists know that many countries cannot develop their resources without the help of abundant foreign capital. Therefore, they do what they can to make it impossible for foreign capital to help. They do this by appealing to a country's nationalism, by painting foreign capital as predatory and imperialistic, and by encouraging countries to erect barriers to the entry of foreign capital. When they succeed in their efforts, as they frequently do, they accomplish two objectives that are important to them. First, they keep the country which is the target of their attacks impoverished, and second, they create dissension and misunderstanding between that country and other countries that are disposed to be friendly and helpful.

In many countries where this sort of thing has been going on our Government has been helping to finance point 4 programs. It is evident that those programs will not produce maximum or even substantial results unless the countries have the political courage to remove the obstacles that they themselves have set up to the efficient utilization of their natural resources.

That is not to say that we should use point 4 as a lever to change the political or social system of a country. On the contrary, if we are to succeed, we must work within the framework of the traditions, the customs, the likes and dislikes of the people we are trying to help. But whatever the political or social system of a country, material progress cannot be achieved, with our help or without it, unless a modicum of respect is given to certain basic economic laws that have been well tested and that neither nationalism nor communism, nor indeed socialism, can make invalid.

Need To Explain Aid Programs

I suggested earlier that point 4 has to be explained. I should like to revert to that and to add that all our aid to foreign countries has to be explained.

The United States, by giving technical cooperation and other aid to other countries, has voluntarily assumed a degree of responsibility for economic development in those countries. This concept of United States responsibility has been accepted by other countries to the extent that many persons, including some political leaders, have come to the point of implying pretty clearly in their public utterances that the United States has the principal obligation for bringing about economic development. Thus, in countries where private capital is not permitted to make its proper and indispensable contribution to economic progress, one hears it alleged that progress is not being achieved because not enough help is being received from the United States.

Persons who allege this, point to the Marshall plan and contrast our vast expenditures in Europe with our small expenditures in other areas. They overlook the circumstance that Europe had to be put on its feet again if the whole free world were not to be plunged into crippling economic depression. They overlook the circumstance, too, that the huge sums we spent in Europe, whether for the reconstruction of war-shattered industries,

for the construction of military bases, or for the maintenance of American troops, served to defend the free world against an actual and imminent threat of physical encroachment by Communist imperialism.

We used bombs to throw back the Nazi tyranny, and we used our material wealth to throw back the Communist tyranny. In each case we had to apply the weapon where it was needed, and the results in each case were decisive in insuring the defense of the entire free world, no country excepted.

Technical cooperation and economic aid do not explain themselves, although many of us have proceeded on the basis that they do. They have to be explained if they are to lead to understanding rather than misunderstanding.

No Substitute for Traditional Diplomacy

There is another way in which technical cooperation and the other new or expanded activities that our Government is carrying on abroad can lead to misunderstanding, and that is if, while we are carrying them on, we should at the same time neglect our traditional diplomatic activities.

Homer said, "Men ever love the song that sings newest in the ear."

It is not an exaggeration to say that our age is an age of disillusionment. We in the United States have fought two great wars well within my lifetime, and still we do not have a world that is safe for the things for which we fought. We do not have freedom from fear or freedom from the threat of war. We do not have one world, as many of us used to believe, or at least hope, but two worlds which threaten to collide and explode into no world at all.

We are disillusioned but not resigned, and we are searching desperately for new instruments to meet the new and unexpected dangers that face us. And we are right in doing that. We will not be right if at the same time we neglect the tried and proved instrument of diplomacy, which remains and will remain the basic instrument for reaching understanding with other countries, an instrument which we share with other countries and one that nations with long experience and tradition still place their principal trust in.

Such activities as technical cooperation are capable of being an aid to good relations with foreign countries, but they are in no sense a sub-

stitute for such relations. If badly carried out, or if not properly explained, they may even create complications in our relations with other countries and thus add to the burden of our diplomacy.

These new or expanded activities have, of course, added to the duties of our diplomatic representatives, since all activities of the United States Government abroad necessarily are carried out under the direction and guidance of the ambassador, whose other responsibilities, needless to say, also have been greatly increased as a result of the world tensions which all of us are familiar with.

There are few subjects more complicated and with more traps for the uninitiated and the unwary than our foreign relations. It is not possible to talk about technical cooperation except in the context of our foreign relations. In technical cooperation we have found a weapon with which to combat poverty, ignorance, and sickness throughout the world—a weapon which can help to create for millions of people the kind of world that communism promises them but can never give them. It is an instrument capable of doing even more, that is, of producing understanding or helping* to produce understanding—understanding which is indispensable to the cooperation among nations which the world requires if it is to survive.

It is not a simple instrument to use, because nothing related to our foreign relations is simple or easy, but the complications it presents are fewer than the other complications that traditional diplomacy has to deal with. They are complications that can be overcome as we gain experience with technical cooperation and learn to fit it into its proper place in the broader pattern of our foreign relations.

Return of Naval Craft Loaned to Soviet Union

Press release 297 dated May 27

On May 26 representatives of the U.S. and Soviet Governments signed an agreement on the dates and procedures for the return to U. S. control of 62 small naval craft loaned to the Soviet Union under lend-lease during World War II. The 62 craft, consisting of 6 submarine chasers and 56 motor torpedo boats, are to be turned over to U.S. Navy representatives at the port of Kiel,

Germany, during the months of July and August 1955.

These craft are part of a group of 186 naval craft, the return of which the United States first requested on September 3, 1948. The Soviet Government agreed to return the 186 craft on October 20, 1953. On December 28, 1953, representatives of the two governments began to work out the necessary details for the return of the craft.

In May and June 1954, 38 naval craft, consisting of 12 motor torpedo boats and 26 submarine chasers, were returned to U.S. Navy control at the port of Istanbul, Turkey. Twenty-seven other craft, consisting of 4 submarine chasers, 8 motor torpedo boats, and 15 landing craft (infantry), are to be returned at the port of Maizuru, Japan, during the months of June and July.

Discussions are continuing on the ports, dates, and procedures for the return of the remaining 59 naval craft.

U.S. Agricultural Delegation To Visit U.S.S.R.

Agriculture-State Announcement

Press release 308 dated June 2

The U.S. Departments of Agriculture and State on June 2 announced that 12 representatives of American agriculture will comprise a delegation scheduled to visit the U.S.S.R. between July 15 and August 15.

Since the visit to the Soviet Union will be unofficial, no provision will be made for payment of travel expenses from U.S. Government funds. The delegation will be broadly representative of American agriculture, and its members will be persons well recognized in farming and in agricultural research and extension. It is understood that the itinerary will include various rural areas of the Soviet Union and agricultural research and educational institutions.

To date, several hundred persons have expressed interest in making the trip. The national farm organizations, Iowa State College, Ames, Iowa, and other land-grant colleges are being invited to

make preliminary nominations. Final selections will be made by a nonofficial public group to be designated.

The visit to the U.S.S.R. is of a reciprocal nature. The Soviet Union is sending to the United States an agricultural delegation of similar size during the approximate period July 10 to August 10. A considerable amount of time will be spent in Iowa, in accordance with the expressed Soviet interest in corn-hog production.

Soviet Note of May 20

Following is a translation of the substantive portion of the Soviet reply of May 20 to the U.S. note of May 17¹ concerning the exchange of agricultural delegations.

The Soviet Government notes with satisfaction the statement contained in the aforementioned note concerning the readiness of the Government of the United States of America to issue official visas to members of a Soviet agricultural delegation for a journey to the United States of America. In accordance with the proposal of the Government of the United States of America regarding the size of the Soviet agricultural delegation and the duration of its stay in the United States of America, Soviet agricultural organizations are prepared to send to the United States a Soviet agricultural delegation numbering 10 to 12 persons for the period of approximately July 10 to August 10 of this year.

The Soviet agricultural delegation, during its stay in the United States of America, would like to visit, besides agricultural objects of interest mentioned in the Embassy's note, concerns producing tractors and agricultural machines, concerns for processing agricultural products, and also storehouses for agricultural products.

The Soviet Government is prepared to issue visas to members of an American agricultural delegation numbering approximately 12 persons. The most suitable time for the visit of the American delegation in the Soviet Union is middle summer—about July 15 to August 15.

Soviet agricultural organizations are ready to acquaint the American agricultural delegation with the all-union agricultural exhibition in Moscow, with the Timiryazev Agricultural Academy in Moscow, with scientific research institutions connected with agriculture, with collective and state farms, and also with enterprises processing agricultural products and enterprises for making agricultural machinery.

The Soviet Government regards the exchange of agricultural delegations between the Union of Soviet Socialist Republics and the United States of America a mutually useful undertaking.

¹ BULLETIN of June 6, 1955, p. 932.

Proposed Revision of 1946 Trade Agreement With Philippines

Statement by William J. Sebald

*Acting Assistant Secretary for Far Eastern Affairs*¹

Until 1946 the United States had never had the experience of granting independence to a part of its territory. There were no precedents to indicate exactly how the problems of the new relationship which was to exist between the United States and the Philippines might best be met. In this situation the Congress of the United States devised the Philippine Trade Act of 1946.² The act established the specific terms of an executive agreement subsequently entered into between the two nations and entitled "Agreement between the United States of America and the Republic of the Philippines Concerning Trade and Related Matters During a Transition Period Following the Institution of Philippine Independence."³

During the 9 years of operation of this agreement, problems have arisen on both sides suggesting the need for some revisions to be made in it.

The United States Government has been aware that for some time the Filipinos have felt dissatisfied with this agreement, and believed that it had operated in some ways to the economic disadvantage of the Philippines and that it contained provisions which were not compatible with complete Philippine sovereignty. While the dissatisfaction has never reached the proportions of a serious rift in the particularly close and friendly relations which existed between the two countries,

there was never a definite certainty that it might not do so.

In considering this situation, the United States Government was also keenly aware of the importance to the United States and the rest of the free world of a Philippine Republic which would become an increasingly strong and independent bulwark of democracy in the Far East.

This awareness has been demonstrated, in part, by the security arrangements entered into between the Philippine Republic and the United States, first, bilaterally in 1951, then, as partners in the multilateral Manila Pact signed at Manila in September 1954.

These arrangements, of course, underscore the traditional friendship and close relationship existing between the Philippine Republic and ourselves.

Negotiations for Revision

When the President of the Philippines in the latter part of 1953 requested the United States to enter into discussions with the Philippine Government with a view to revising the agreement, President Eisenhower replied that the United States Government would do so if specific proposals to be put forth by the Philippines indicated that a basis for negotiations existed.⁴

Subsequently, the Congresses of the two countries extended for 18 months, or until the end of 1955, the continued period of free trade provided for in the agreement in order to permit time for the negotiations to which the President had assented.⁵

¹ Made before the Ways and Means Committee of the House of Representatives on May 16 (press release 267). For texts of the final act of the negotiations for revision, a memorandum to the President from Secretary Dulles recommending appropriate legislation, and the President's letter of transmittal to the Speaker of the House of Representatives, see H. Doc. 155, 84th Cong., 1st sess.

² Public Law 371, 79th Cong.

³ Treaties and Other International Acts Series 1588.

⁴ BULLETIN of Sept. 7, 1953, p. 316.

⁵ For text of Proclamation 3060 extending the period of free trade, see *ibid.*, July 19, 1954, p. 89.

The negotiations occurred in the latter part of 1954, the final act being signed on December 15, 1954, in Washington.⁶ Of each step of these developments this committee was kept informed.

House bill 6059 would amend the Philippine Trade Act of 1946 to permit an executive agreement containing the negotiated revisions. If adopted, it would constitute approval of the terms of the negotiations by both branches of the Congress. The Philippine Congress has already voted its approval of the proposed revision.

The negotiated revision does not change the length of the transitional period from free trade to application of full tariffs by each country to products of the other country. The revision does not eliminate the prohibition in the 1946 act against negotiations under the Reciprocal Trade Agreements Act during this transitional relationship which extends through July 3, 1974. The agreement would remain a strictly bilateral arrangement.

However, because nearly 9 years of experience under the 1946 agreement have demonstrated a degree of Philippine competence in handling their political and economic problems which it had been feared in 1946 they might not so soon attain and because world conditions, especially in the Far East, are today quite different than had been contemplated at the close of World War II, numerous amendments to the 1946 agreement have been recommended jointly to their Governments by the negotiating teams.

Purposes of Revision

In general, the revisions are designed :

(1) To continue to preserve United States markets for major Philippine products, especially during the earlier part of the transitional period, while encouraging an accelerated Philippine industrial development to help reduce serious unemployment and maintain a Philippine market for United States products, and

(2) To give the Philippine Government more freedom of action, as well as responsibility, in taking steps to encourage increases in the total Philippine annual product and a better balanced economy, while incidentally removing from the 1946 agreement provisions which could be regarded by

⁶ For text of a joint statement at the close of the negotiations, see *ibid.*, Dec. 27, 1954, p. 981.

the Filipinos as encroachments upon their sovereignty, and by others, no matter how unreasonably, as vestiges of colonialism.

Some of the provisions of the 1946 agreement have not proved effectual in practice.

The peso was tied to the dollar at two to one, theoretically, but insufficient Philippine governmental revenues, partly because of low tariff receipts with two-thirds of its imports coming in duty free from the United States, forced the imposition of an exchange tax of 17 percent, creating a second rate of exchange of 2.34 to one, and a proportionate amount of devaluation. As an underdeveloped country, the Philippines, like all such countries, is more dependent upon tariff revenues for support of its Government than are more industrialized nations.

Article III of the 1946 agreement, which on its face was a safeguard to United States exports and imports, has been in practice quite the contrary. It is the section providing for imposition of discriminatory quantitative restrictions by the United States. This reservation we have never exercised, but, because there was no explicit prohibition in the agreement against any import restrictions imposed by the Philippines, that nation has at will imposed a great many, some of them complete bans against American products and some of them bans against Philippine exports.

Another provision of the 1946 agreement which has never been used because the cure prescribed was more deadly than the diseases it might seek to remedy was the antidiscriminatory paragraph 4 of article X. This particular reservation of a right by the United States provided an undefined and therefore unknown degree of protection to United States nationals engaged in business activities other than development of national resources and operation of public utilities in the Philippines, and so introduced an uncertain element into such ventures.

The revision of the 1946 agreement has sought more effective methods of dealing with these and other matters affecting the joint welfare of the two nations. The recommended solutions resulted from a final meeting of many minds, both within the participating groups of either nation and between the two groups.

The Philippine Economic Mission came to this country with hopes of obtaining considerable concessions which it did not obtain in the revision of

the 1946 agreement. Instead, it returned to Manila with an appreciation of problems which confront the United States it had not previously possessed. Only because of this appreciation, gradually acquired through a period of 3 months in Washington, was a stalemate in the negotiations avoided and final agreement achieved.

Even though the revised agreement has not yet been approved and though it will not become effective until 1956, if approved, there are indications that the friendly and cooperative ties between the two nations have been enhanced as a result of the negotiations. The Philippine Government is revising its economic planning and development program. It is attempting to make foreign investments more attractive. In recent months it has repeatedly taken a stand with the United States in establishment and support of American policies in the Far East from further Communist encroachments.

Changes in 1946 Agreement

The bill before you contains, in title II, the text of the agreement as negotiated. I wish to invite the attention of the committee, as concisely as possible, to the changes which the revision would effect in the 1946 agreement. I shall leave to the representatives of the Departments of Commerce and Agriculture a fuller discussion of the more important changes affecting the trade and agriculture of the United States.

Changes envisaged by the proposed revision in article I are:

(1) a less rapid imposition of U.S. duties on Philippine products; (2) an acceleration of the application of Philippine duties to U.S. articles; (3) an orderly arrangement for long-sought ways and means of elimination of the Philippine exchange tax and the dual rate of exchange it creates; (4) an incentive to investment of foreign capital in the Philippines by removal of the exchange tax upon the transfer of invisibles.

The chief reason behind the changes in tariff preferences in article I is to give the Philippine industrial economy room within which to develop behind normal tariff protection, while not imperiling in the meantime the market in the U.S. for Philippine agricultural products, on the continuation of which the financing of the industrial development must primarily depend. Relief from

the onerous exchange tax will go a long way toward compensating American exports for the less privileged treatment they would enjoy in the Philippines during the remaining life of the agreement.

Changes in article II are:

(1) elimination of U.S. absolute quotas upon imports of Philippine rice, tobacco, cigars, coconut oil, and buttons of pearl or shell; (2) slower disappearance of the duty-free tariff quotas on tobacco, cigars, coconut oil, and buttons; (3) removal of any impediment in the 1946 agreement to the increase of the Philippine sugar quota in the United States, at the discretion of the Congress; (4) removal of the provisions specifying how the United States quotas on Philippine products are to be allocated among Philippine producers.

The changes proposed in the quota provisions are designed to eliminate unnecessary ceilings on certain U.S. imports from the Philippines while providing them with tariff advantages comparable to those proposed for Philippine articles in general under article I. The provisions of the 1946 agreement which specify how U.S. quotas on Philippine products must be allocated among Philippine producers have now served their purpose of facilitating the rehabilitation of these war-ravaged industries, and their further continuation is a purposeless limitation on Philippine sovereignty and a barrier to normal development.

Other changes in the revision include:

Reciprocal provisions for the imposition of quantitative restrictions to protect monetary reserves or domestic industries, in article III;

Elimination of the prohibition against imposition of export taxes by the Philippines, in article IV;

Elimination of the requirement that any change in the exchange rate of the peso or any restriction on the transfer of dollars may be undertaken by the Philippine Government only with the consent of the President of the United States;

A promise by the Philippines to enact and implement legislation to enter into an agreement with the United States for the reciprocal entry of traders, in article V;

Mutualization of national treatment in the development of natural resources and the operation of public utilities, in article VI;

Granting of reciprocal national treatment in all other business activities, in article VII;

Mutual national security exceptions, in article VIII;

Provision for consultation at least 3 years before expiration of the agreement to consider problems anticipated in connection with its termination, in article X;

Clarification of the definition of U. S. and Philippine articles for preferential tariff purposes to include articles of each country imported via third countries.

Under all the circumstances which had to be considered in the negotiations, it is our belief that these changes, together with what is left unchanged in the 1946 agreement, constitute a reasonable, constructive, and correlated arrangement of the international matters involved.

I urge approval of the revision.

Antitrust Policies and Foreign Trade

Statement by Thorsten V. Kalijarvi¹

My name is Thorsten V. Kalijarvi. I am Deputy Assistant Secretary for Economic Affairs. I am appearing in response to the committee's request for the Department of State to present its views concerning the relation of antitrust policies to foreign trade and international restrictions on competition. In my remarks I shall limit myself to the more general foreign-policy aspects of the problem of restrictive business practices with which the Department is most directly concerned and the relation of antitrust enforcement to them, leaving to others better qualified the more technical aspects of antitrust law and its enforcement.

We have long recognized the adverse effects of restrictive business practices on our trade with other countries and on our own economy. It has been apparent that such practices abroad can impede our acquisition of needed raw materials from foreign sources and that they can interfere seriously with the trade and investment opportunities of American industry.

More recently it has become apparent that we also have a direct concern with the effects of restrictive business practices upon the economic strength of other free-world countries. A cartel

in a European country which fixes production quotas for an item needed for defense production is obviously inconsistent with efficient prosecution of the mutual defense effort. A consumer-goods industry which keeps a price umbrella over inefficient producers to keep them alive interferes with efforts to increase living standards in a double-barreled way—its price policy takes money out of the pockets of consumers, and the wage rates of its employees are depressed because output, and therefore the demand for labor, is reduced.

With our concern to see that the free nations of the world may be as strong as possible in the defense against communism, we have naturally placed emphasis in our foreign economic policy on doing what we can to encourage and assist other countries to tackle this difficult problem of restrictive business practices. The so-called Thye amendment [sec. 413] to the Mutual Security Act of 1954² places emphasis on this aspect of the problem of restrictive practices. In this statement the Congress "recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to the economic progress and defensive strength of the free world." The Congress then declared it to be the policy of the United States among other things "to encourage the efforts of other free nations . . . to foster private initiative and competition" and "to discourage monopolistic practices."

The Department is in full agreement with the basic approach taken by the Congress in the Thye amendment and in the Benton amendment which preceded it. This approach is grounded on the strong conviction that competitive free enterprise has provided the spur to a dynamic expanding economy in this country. The essential principle is to carry this same conviction into the international field. Whether we look at the problem of restrictive practices abroad from the standpoint of being able to conduct our own foreign commerce and investment in a free atmosphere or whether we look at it in terms of strengthening the economies of our friends and allies, this principle is a sound policy for the United States.

What then has been done to carry out this policy? Let me say first that rapid results cannot be expected from efforts along these lines. We are dealing with methods of doing business and a whole pattern of thinking which have become in-

¹ Made before the Antitrust Subcommittee of the House Judiciary Committee on May 24 (press release 286).

² Public Law 665, 83d Cong.

grained over hundreds of years. We can, therefore, view the problem realistically only if we think in terms of a gradual process of change over a considerable period of time. Secondly, and very importantly, we cannot interfere in the internal affairs of other sovereign nations. Nor would it be desirable if we could, because the bases for the complex changes needed to establish and maintain vigorously competitive economies cannot be developed by artificial outside intervention. The most we can do, therefore, is to encourage and assist where this is desired and to conduct ourselves in our own activities in a manner which clearly demonstrates the advantages of the free competitive enterprise system.

Within this frame of reference there are a number of things the Government can and does do to implement this policy, none of them perhaps spectacular but all designed to demonstrate in a concrete manner the advantages our system has to offer. For example, we are able to assist other governments in connection with the preparation or administration of anticartel laws. Many foreign officials from such countries as Germany, the United Kingdom, France, and the Netherlands have come to the United States to study our antitrust policy. They have come because they recognize the significant role competition plays in our economic system and are interested in considering what application our experience may have for them. We have encouraged and facilitated the visits of these people, and representatives of our Government have spent a good deal of time helping them to become fully acquainted with the working of our competitive enterprise system.

United States defense procurement abroad is being conducted wherever possible on a competitive-bidding basis. This is likewise being done by all NATO countries in procurement for the mutual defense effort. The Foa technical aid program has placed emphasis on the curbs to increased productivity inherent in restrictive practices. In addition to the planning of productivity programs with this factor in mind, many foreign officials and businessmen have been brought to this country to observe our competitive system at first hand. It is, of course, important also that our views on the subject be expressed in the day-to-day conduct of our relations with other governments and in international forums. On this aspect significant contributions to the expression of our philosophy of competitive enterprise are also made by many

American businessmen, labor leaders, and other private citizens.

Recent Progress

What have been the results of our efforts? There is, of course, no concrete way to assess the degree to which these activities and the example of our own vigorous antitrust policy have been responsible for the developments of recent years. It is certainly safe to say, however, that they have been influential to a significant extent. The progress that has been made since the war is best evidenced in the growth of national legislation to curb restrictive practices. Before the war governments often encouraged and supported cartels and frequently made membership in them compulsory. Little was heard outside the United States and Canada about curbing them. Today there is legislation pointing in the direction of free competitive enterprise in a number of major countries such as the United Kingdom, Sweden, and France, and consideration of such legislation in others such as West Germany. While most of this legislation and its enforcement falls considerably short of the standards which we have set for ourselves in this country, it is indicative of a promising trend. It is also indicative of an understanding and appreciation of the importance which the fostering and maintenance of a competitive economy has had for the United States.

As an example of the change in basic thinking which has taken place abroad, particularly in Western Europe, I would like to quote the following statement by Dr. [Ludwig] Erhard, German Minister of Economic Affairs.

Especially in view of our objectives with regard to Europe and Europe's integration into the economy of the whole world it is obvious that an adjustment process has become necessary which makes it impossible to leave the regulation of the economy within the hands of interested groups only. We are striving toward the common European market. This aim is not compatible with a system of national or international cartels. If we want the benefits of technological progress, of rationalization and of increased productivity to result in higher standards of living, we must oppose cartels.

It is significant that the problem of dealing with cartels in Germany is a responsibility of Dr. Erhard. We could hardly have expected to hear words such as these from a German official of his stature in the world of 20 years ago.

Schuman Plan Provision on Cartels

Perhaps the most dramatic development, and a source of great hope for the advancement of the free competitive enterprise system, was the inclusion in the Schuman plan treaty of a strong provision relating to cartels and economic concentrations. The High Authority of the Coal and Steel Community has already taken a number of significant steps to create a broad competitive market for coal and steel industries of Western Europe, and others are contemplated. For those who may be impatient with the seemingly slow progress in implementing the treaty's anticartel provisions, it is well to keep in mind that the Sherman Act's first effective enforcement did not take place until some 10 years after its passage.

In summary, we feel that a reasonably good start has been made over the past few years in an area of great complexity in which forward steps must necessarily be measured in terms of a long-range objective.

U.S. Views on Agreement Proposed in ECOSOC

In addition to the means I have mentioned above for implementing United States policy in this field, we have examined in considerable detail the possibility of promoting our objectives through the negotiation of an international agreement to control cartel practices affecting international trade. As the committee is aware, the Economic and Social Council of the United Nations has for some time been considering this question and has had placed before it a specific proposal for such an agreement. This proposal is now being discussed in New York at the 19th session of Ecosoc. The Department and other interested agencies of the Government have given very careful consideration to this proposal. As a result of this study it became clear that the proposal does not offer a presently feasible solution to the problem. Consistent with this position, a statement of the views of this Government was submitted to the United Nations by the Department.³ I am making copies of this statement available to members of the committee.

While this statement speaks for itself, I should like to summarize briefly the fundamental reasons why the United States is indicating the unacceptability of the proposal. These reasons are, first, that there is not an adequate consensus among nations as to the degree to which restrictive business

practices involved in international trade should be banned; and, second, that, despite the promising developments which I previously mentioned, in most countries legislation and administrative programs to deal with this problem are not sufficiently advanced to provide adequate support for an international program. In short, the present situation would not permit effective international collaboration to accomplish the purpose of eliminating restrictive practices affecting international trade.

Therefore, the Department does not consider that this is the appropriate time for the creation of an international agreement or code governing restrictive business practices. Before such an arrangement can be achieved, much more will have to be done in the development of national legislation and enforcement programs along lines that permit the growth of a greater consensus among countries in their approach to this problem.

The balance of my remarks will be directed toward problems involved in certain areas of antitrust enforcement—where problems of foreign policy or national security considerations are involved.

Problems of Enforcement

The Department strongly supports the philosophy of the antitrust laws in precluding restraints on the foreign trade of the United States. We believe such enforcement has great value in protecting United States industry and consumers against restrictions and discriminatory treatment in obtaining goods abroad and in insuring access to foreign markets by United States industry. American free competitive enterprise has demonstrated that it can more than hold its own in international trade and that cartels are not the pillars of economic strength they were once thought to be.

Nonetheless, there are problems that do arise in

³ BULLETIN of Apr. 18, 1955, p. 665. For a statement of May 23 on restrictive business practices by Preston Hotchkis, U. S. Representative in the Economic and Social Council, see U.S./U.N. press release 2161 dated May 23. On May 26 the Economic and Social Council passed a resolution (E/Res. (XIX)/14) recognizing that "international action in this field would not be effective without sufficient support by Member States," urging Governments "to continue the examination of restrictive business practices," and requesting the Secretary-General "to suggest further consideration of the matter at a later session of the Council."

the application of our antitrust laws as they affect our foreign relations. These problems are not easy to describe and analyze. They are relatively few in number and differ widely as to factual situations and economic, political, and security implications. Accordingly, they do not fall into any clear pattern. It may be useful, however, to comment on certain aspects of these problems which tend to recur from time to time.

Conflict of Jurisdiction

One of the difficult areas involves the so-called "conflict of jurisdiction" between countries. Such conflicts have occurred where laws or decrees of a foreign country may prohibit action abroad by a company incorporated in its territory which it is required to undertake by the laws of the United States. For example, a foreign company may be required to produce books and records by a United States court which its own government forbids it to produce. This and similar kinds of cases may place the company in a very difficult position. The problem varies in the light of particular factual situations. It has been dealt with by the courts, but foreign governments themselves sometimes make diplomatic representations. There is no simple way to deal with such problems. An effort is made to reach reasonable accommodations in particular cases.

Another problem concerns cases in which the bringing of a suit might place a strain on our relations with a particular country or area of the world. This problem, of course, is not unique to a policy of antitrust enforcement since other economic policies pursued by our Government may produce such strains. However, it is important that in the pursuit of our economic policies we endeavor to keep such strains to a minimum. Accordingly, the timing and method of handling an antitrust suit should, in appropriate cases, be carefully considered in the light of its impact abroad.

Report of Attorney General's Committee

The Department notes particularly the recommendation of the Attorney General's Committee that the Department of Justice continue its practice of consulting with the Departments of State and Defense in connection with suits that may seriously affect any of the Government's foreign programs.⁴ The Department, of course, supports this recommendation. In this connection I would like to make clear that the Department is gratified with the cooperative attitude of the Department of Justice in consulting closely with the Department of State in such cases.⁵ We believe that such consultation, and the resultant thorough consideration given both to foreign policy considerations and to the economic and legal situations prevailing in the foreign countries involved, can go a long way toward developing solutions for both of these problems prior to the filing of cases.

Still another type of problem that may arise is a situation in which investment by an American firm in a particular project abroad is important to the national security but cannot be accomplished except under arrangements inconsistent with the antitrust laws. It should be noted that the Defense Production Act makes provision for joint action that might be considered necessary to permit United States companies to engage in such projects. In this respect the Department endorses the recommendation of the Attorney General's National Committee To Study the Antitrust Laws for extension of antitrust immunity beyond the expiration of this act.

As a final observation, the Department believes that the section of the report of the Attorney General's National Committee which deals with foreign commerce has considerable value in clarifying the application of our antitrust laws to matters involving foreign commerce.

⁴See Report of the Attorney General's National Committee To Study the Antitrust Laws, March 31, 1955, for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D. C., \$1 a copy.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Calendar of Meetings¹

Adjourned During May 1955

World Meteorological Organization: 2d Congress	Geneva	Apr. 14-May 12
U.N. Trusteeship Council, Committee on Information from Non-Self-Governing Territories: 6th Session.	New York	Apr. 15-May 11
U.N. Technical Conference on the Conservation of the Living Resources of the Sea.	Rome	Apr. 18-May 10
U.N. Ecosoc Commission on Narcotic Drugs: 10th Session	New York	Apr. 18-May 13
ICEM Executive Committee: 2d Session	Geneva	Apr. 21-May 3
7th Liège International Trade Fair	Liège	Apr. 23-May 8
ITU Administrative Council: 10th Session	Geneva	Apr. 23-May 21
Lyon International Fair	Lyon	Apr. 24-May 3
ILO Petroleum Committee: 5th Session	Caracas	Apr. 25-May 2
Committee of Experts To Prepare for International Conference for Revision of the International Convention for the Protection of Industrial Property.	Bern	Apr. 25-May 3
PASO Executive Committee: 25th Meeting	México, D. F.	Apr. 25-May 3
ICAO Meeting of Medical Experts on Hearing and Visual Requirements for Aviation Personnel Licenses.	Paris	Apr. 25-May 4
8th International Film Festival	Cannes	Apr. 25-May 11
ICEM Council: 2d Session	Geneva	Apr. 27-May 7
British Industries Fair	London	May 2-13
U.N. Ecosoc Social Commission: 10th Session	New York	May 2-20
WMO Executive Committee: 7th Session	Geneva	May 3-5
U.N. ECE Steel Committee	Geneva	May 4-6
South Pacific Commission: Vocational Training Conference . . .	Suva (Fiji)	May 4-6
1st International Photography and Motion Picture Biennial Exposition.	Paris	May 4-16
Japan International Trade Fair	Tokyo	May 5-18
U.N. ECLA Committee of the Whole: 4th Meeting	Santiago	May 9-10
NATO: Ministerial Meeting of the Council	Paris	May 9-11
U.N. Refugee Fund Executive Committee: 1st Session	Geneva	May 9-13
World Health Organization: 8th Assembly	México, D.F.	May 10-28
West Indian Conference: 6th Session	San Juan	May 10-19
Caribbean Commission: 20th Meeting	San Juan	May 13-22
Paris International Fair	Paris	May 14-30
International Rubber Study Group: Management Committee . . .	London	May 17-18
ILO Governing Body: 129th Session	Geneva	May 23-28

In Session as of May 31, 1955

U.N. Economic and Social Council: Resumed 19th Session	New York	May 16-
Advisory Committee on the International Conference on the Peaceful Uses of Atomic Energy: 2d Session.	Paris	May 23-
FAO Committee on Commodity Problems: 25th Session	Rome	May 23-
10th International Mediterranean Fair	Palermo	May 24-
International Sports Exhibition	Turin	May 24-
Inter-American Commission of Women: 10th Assembly	San Juan	May 29-
Canadian International Trade Fair	Toronto	May 30-
ICAO Assembly: 9th Session	Montreal	May 31-
5th International Congress on Large Dams	Paris	May 31-
6th International Technical Conference on Lighthouses and Other Aids to Navigation.	The Hague	May 31-

¹Prepared in the Office of International Conferences, May 26, 1955. Following is a list of abbreviations: U.N., United Nations; Ecosoc, Economic and Social Council; ICEM, Intergovernmental Committee for European Migration; ITU, International Telecommunication Union; ILO, International Labor Organization; PASO, Pan American Sanitary Organization; ICAO, International Civil Aviation Organization; WMO, World Meteorological Organization; ECE, Economic Commission for Europe; ECLA, Economic Commission for Latin America; NATO, North Atlantic Treaty Organization; FAO, Food and Agriculture Organization; WHO, World Health Organization; IASI, Inter-American Statistical Institute; ECAFE, Economic Commission for Asia and the Far East; CCIR, International Radio Consultative Committee (Comité consultatif international des radio communications); UNESCO, United Nations Educational, Scientific and Cultural Organization.

Calendar of Meetings—Continued

Scheduled June 1-August 31, 1955

WHO Executive Board: 16th Session	México, D.F.	June 1-
ILO Annual Conference: 38th Session	Geneva	June 1-
International Samples Fair	Barcelona	June 1-
International Sugar Council: 4th Session	London	June 1-
IASI Committee on Statistical Education: 1st Session	Quitandinha (Brazil)	June 3-
IASI Committee on Improvement of National Statistics: 3d Session.	Quitandinha (Brazil)	June 3-
International Commission for Northwest Atlantic Fisheries: 5th Annual Meeting.	Ottawa	June 6-
12 Fao Council: 21st Session	Rome	June 6-
11 4th World Petroleum Congress	Rome	June 6-
10 U.N. ECAFE Iron and Steel Subcommittee: 6th Session	Bangkok	June 6-
Permanent International Association of Navigation Congresses: Annual Meeting.	Paris	June 7-
13 Agriculture Show	Denbigh (Jamaica)	June 8-
3 U. N. Trusteeship Council: 16th Session	New York	June 8-
8 3d Inter-American Statistical Conference	Quitandinha (Brazil)	June 9-
21 Inter-American Statistical Institute: 3d General Assembly	Quitandinha (Brazil)	June 9-
3 21st International Aeronautical Exhibition	Paris	June 10-
2 International Exhibition of Architecture, Industrial Design, Home Furnishings, and Crafts.	Halsingborg (Sweden)	June 10-
3 Icao Airworthiness Panel of Airworthiness Division: 2d Meeting	Paris	June 14-
3 U. N. 10th Anniversary Commemorative Ceremony	San Francisco	June 20-
4 International Cotton Advisory Committee: 14th Plenary Meeting.	Paris	June 20-
Inter-American Travel Congress, Permanent Executive Committee: 1st Meeting.	Washington	June 20-
11 International Statistical Institute: 29th Session	Quitandinha (Brazil)	June 24-
7 5th International Film Festival	Berlin	June 24-
Inter-American Indian Institute: Meeting of Governing Board	México, D. F.	June-
International Wheat Council: 17th Session	London	June-
8th International Congress of Botany	Paris	July 2-
Poznan International Fair	Poznan (Poland)	July 3-
ITU International Radio Consultative Committee (CCIR): Study Group X.	Geneva	July 4-
UNESCO—International Bureau of Education: 18th International Conference on Public Education.	Geneva	July 4-
International Youth Gymnastic Congress	Rotterdam	July 5-
U.N. Economic and Social Council: 20th Session	Geneva	July 5-
International Whaling Commission: 7th Meeting	Moscow	July 16-
18th Conference of International Union of Pure and Applied Chemistry; and 14th International Congress of Pure and Applied Chemistry.	Zürich	July 20-
American International Institute for the Protection of Childhood: Meeting of Directing Council.	Montevideo	July 25-
Pan American Institute of Geography and History (PAIGH): 6th General Assembly.	México, D. F.	July 25-
PAIGH Commission on Cartography: 7th Consultation	México, D. F.	July 25-
PAIGH Commission on Geography: 4th Consultation	México, D. F.	July 25-
PAIGH Commission on History: 3d Consultation	México, D. F.	July 25-
Consultative Committee on Rice: 10th Meeting	Bangkok	July-
3d International Congress of Biochemistry	Brussels	Aug. 1-
International Council of Scientific Unions: 7th General Assembly	Oslo	Aug. 8-
U.N. International Conference on the Peaceful Uses of Atomic Energy.	Geneva	Aug. 8-
3d Indonesian International Fair	Djakarta	Aug. 12-
Conference of British Commonwealth Survey Officers	Cambridge (England).	Aug. 15-
Edinburgh Film Festival	Edinburgh	Aug. 21-
First U.N. Congress on the Prevention of Crime and the Treatment of Offenders.	Geneva	Aug. 22-
International Wool Textile Research Conference	Sydney (Australia).	Aug. 22-
Inter-Parliamentary Union: 44th Congress	Helsinki	Aug. 25-
International Committee of Military Medicine and Pharmacy	Istanbul	Aug. 28-
International Astronomical Union: 9th General Assembly	Dublin	Aug. 29-
U.N. Ecosoc Economic Commission for Latin America: 6th Session.	Bogotá	Aug. 29-
Icao: 2d Air Navigation Conference	Montreal	Aug. 30-
UNESCO Seminar on Workers' Education	Paris	August-

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U.S. Delegations to International Conferences

Governing Body, International Labor Office

The Department of State announced on May 23 (press release 282) that J. Ernest Wilkins, Assistant Secretary of Labor, who is U.S. Government representative on the Governing Body of the International Labor Office, will be assisted during the Governing Body's 129th session at Geneva, Switzerland, on May 27 and 28, by the following:

Substitute representative

Arnold Zempel, Executive Director, Office of International Labor Affairs, Department of Labor

Advisers

Otis E. Mulliken, Officer in Charge, Social Affairs, Office of International Economic and Social Affairs, Department of State

George Tobias, Labor Attaché, American Consulate General, Geneva

William L. McGrath, president of the Williamson Heater Company, Cincinnati, Ohio, and George P. Delaney, international representative of the American Federation of Labor, Washington, D.C., will participate in their elected capacities as employer and worker members, respectively, of the Governing Body.

The Governing Body, which usually meets three times a year, is responsible for the general supervision of the International Labor Organization (ILO). It selects items for the agenda of the International Labor Conference, considers proposals relating to the Organization's budget, and determines the time, place, and agenda of ILO meetings and regional conferences.

The Governing Body is assisted in its work by eight committees. They deal with matters relating to finance and administration; manpower and employment; the application of conventions, recommendations, and standing orders; allocations; industrial committees; international organizations; freedom of association; and technical assistance.

International Labor Conference

The Department of State announced on May 24 (press release 287) that the United States will be represented at the 38th session of the International Labor Conference at Geneva, Switzerland, June 1-25, by the following delegation:

REPRESENTING THE GOVERNMENT OF THE UNITED STATES

Delegates

J. Ernest Wilkins, Assistant Secretary of Labor
David W. Wainhouse, Deputy Assistant Secretary of State for International Organization Affairs

Congressional Advisers

James E. Murray, United States Senate
Charles E. Potter, United States Senate

Advisers

Edith N. Cook, Attorney, Office of the Solicitor, Department of Labor

Donald H. Dabelstein, Assistant Director, Office of Vocational Rehabilitation, Department of Health, Education, and Welfare

Daniel Goott, Special Assistant for International Labor Affairs, Office of the Deputy Under Secretary, Department of State

Paul E. Gurske, Director, Bureau of Labor Standards, Department of Labor

Frank E. Johnson, Regional Director, Bureau of Employment Security, Department of Labor

Leonard R. Linsenmayer, Division of Foreign Labor Conditions, Bureau of Labor Statistics, Department of Labor

Otis E. Mulliken, Office of International Economic and Social Affairs, Department of State

B. Allen Rowland, Confidential Assistant to the Secretary, Department of Commerce

Herbert B. Swanson, Assistant Chief, Agricultural Education Branch, Office of Education, Department of Health, Education, and Welfare

George Tobias, Labor Attaché, American Consulate General, Geneva, Switzerland

Arnold Zempel, Executive Director, Office of International Labor Affairs, Department of Labor

REPRESENTING THE EMPLOYERS OF THE UNITED STATES

Delegate

William L. McGrath, President, Williamson Heater Co., Cincinnati, Ohio

Advisers

Donald Knowlton, Hill and Knowlton, Cleveland, Ohio

Hubert F. O'Brien, President, The A. P. Smith Manufacturing Co., East Orange, N. J.

Sybil S. Patterson, Director, Employee Relations, National Association of Manufacturers, New York, N. Y.

Frank H. Terrell, Kansas City, Mo.

William G. Van Meter, Attorney, Labor Relations Department, Chamber of Commerce of the United States, Washington, D.C.

W. H. Winans, Larchmont, N.Y.

REPRESENTING THE WORKERS OF THE UNITED STATES

Delegate

George P. Delaney, International Representative, American Federation of Labor, Washington, D.C.

Advisers

John M. Callahan, Chairman, General Electric Conference Board, International Union of Electrical, Radio and Machine Workers, Congress of Industrial Organizations, Pittsfield, Mass.

Rudolph Faupl, International Representative, International Association of Machinists, American Federation of Labor, Washington, D.C.

Anthony E. Matz, President, International Brotherhood of Firemen and Oilers, American Federation of Labor, Chicago, Ill.

John J. Murphy, Secretary, Bricklayers, Masons and Plasterers, International Union of America, American Federation of Labor, Washington, D.C.

Harry Pollak, Assistant Director, Department for International Affairs, Congress of Industrial Organizations, Washington, D.C.

Emil Rieve, President, Textile Workers Union of America, Congress of Industrial Organizations, New York, N.Y.

Michael Ross, International Representative, Congress of Industrial Organizations, Brussels, Belgium

Secretary of Delegation

David Persinger, Office of International Conferences, Department of State

The International Labor Conference is a forum in which representatives of employers and workers as well as governments for the 70 member countries formulate, through consultation and debate, suggested standards looking to the improvement of working and living conditions around the world.

The items on the agenda for the 38th session of the Conference, as determined by the Governing Body at its 123d session (Geneva, November 1953), and by the International Labor Conference at its 37th session (Geneva, June 1954) are as follows: (1) report of the Director General, (2) financial and budgetary questions, (3) information and reports on the application of conventions and recommendations, (4) vocational rehabilitation of the disabled, (5) migrant workers (underdeveloped countries), (6) penal sanctions for breaches of contract of employment, (7) vocational training in agriculture, and (8) welfare facilities for workers.

Congress on Large Dams

The Department of State announced on May 23 (press release 283) that the U.S. Government will be represented at the Fifth International Congress on Large Dams at Paris, France, on May 31 by the following delegation:

June 13, 1955

Delegates

Wilber A. Dexheimer, Commissioner, Bureau of Reclamation, Department of the Interior

Gail A. Hathaway, Special Assistant to the Chief of Engineers, Department of Defense

Members

Clarence E. Blee, Chief Engineer, Tennessee Valley Authority, Knoxville, Tenn.

Ralph A. Bloor, Chief, Structural Branch, Engineering Division, Office of the Chief of Engineers, Department of Defense

John J. Hammond, Head, Dams Branch, Bureau of Reclamation, Department of the Interior

Kenneth S. Lane, Chief, Foundations and Materials Branch, Engineering Division, Kansas City District, Corps of Engineers

William H. Price, Chief, Laboratories Division, Bureau of Reclamation, Department of the Interior

Frank L. Weaver, Chief, Division of River Basins, Bureau of Power, Federal Power Commission

Mr. Dexheimer is a member of the Council and Executive Committee of the U.S. National Committee on Large Dams. He is also a member of the Executive Board of the U.S. National Committee of the World Power Conference and of the U.S. National Committee of the International Commission on Irrigation and Drainage.

Mr. Hathaway is president of the International Commission on Large Dams and a member of the Executive Committee of the U.S. National Committee on Large Dams. He will preside at the plenary sessions of the Fifth Congress.

The Fifth Congress is being held by the International Commission on Large Dams, which was organized for the purpose of encouraging improvements in the design, construction, maintenance and operation of large dams. This Commission works in collaboration with the World Power Conference.

Questions on the agenda for the Fifth Congress are: (1) design and construction of dams on permeable soils and methods of foundation treatment; (2) economics and safety of different types of concrete dams; (3) settlement of dams due to compressibility of the dams' material or of the foundation soil, including earthquake problems; (4) the relation of the cement content of the concrete to performance in practice of (a) gravity dams (interior and exterior), (b) arch dams, and (c) buttress dams.

Study tours will be conducted in France prior to the Congress from May 23 to May 29, and in

North Africa (Algeria, Morocco, and Tunisia) at the conclusion of the Congress from June 5 to June 12.

The U.S. National Committee on Large Dams, at an executive meeting at Paris on May 31, will officially invite the Commission to hold its Sixth Congress on Large Dams in the United States in September 1958. This meeting will be held in cooperation with a sectional meeting of the World Power Conference in Canada.

The Fourth International Congress on Large Dams was held at New Delhi, India, in January 1951.

FOREIGN SERVICE

Confirmations

The Senate on May 31 confirmed Selden Chapin to be Ambassador to Iran.

The Senate on May 31 confirmed Richard Lee Jones to be Ambassador to Liberia.

TREATY INFORMATION

Current Actions

MULTILATERAL

Agriculture

International plant protection convention. Done at Rome December 6, 1951. Entered into force April 3, 1952.¹
Ratification deposited: Ireland, March 31, 1955.

North Atlantic Treaty

Agreement between the parties to the North Atlantic Treaty regarding the status of their forces. Signed at London June 19, 1951. Entered into force August 23, 1953. TIAS 2846.

Ratification deposited: Denmark, May 28, 1955.

Protocol on status of international military headquarters. Signed at Paris August 28, 1952. Entered into force April 10, 1954. TIAS 2978.

Ratification deposited: Denmark, May 28, 1955.

¹ Not in force for the United States.

Telecommunications

International telecommunication convention, and final protocol. Signed at Buenos Aires December 22, 1952. Entered into force January 1, 1954.¹

Ratification deposited: New Zealand, April 28, 1955 (includes the Cook Islands (including Niue), the Tokelau Islands, and the Trust Territory of Western Samoa). Additional protocols to the International telecommunication convention. Signed at Buenos Aires December 22, 1952. Entered into force December 22, 1952.

Ratification deposited: New Zealand, April 28, 1955 (includes the Cook Islands (including Niue), the Tokelau Islands, and the Trust Territory of Western Samoa).

Weather

Convention of the World Meteorological Organization. Done at Washington October 11, 1947. Entered into force March 23, 1950. TIAS 2052.

Accession deposited: El Salvador, May 27, 1955.

BILATERAL

Canada

Convention on Great Lakes fisheries. Signed at Washington September 10, 1954.

Senate advice and consent to ratification given: June 1, 1955.

Chile

Agreement extending agreement for a cooperative program of agriculture and livestock of January 16, 1951 (TIAS 2430). Signed at Santiago April 27, 1955. Entered into force April 27, 1955.

Ecuador

Agreement extending the air force mission agreement of December 12, 1940 (54 Stat. 2437), as amended. Effected by exchange of notes at Washington May 10 and 23, 1955. Entered into force May 23, 1955.

Agreement amending and extending the army mission agreement of June 29, 1944 (58 Stat. 1300), as amended. Effected by exchange of notes at Washington May 10 and 26, 1955. Entered into force May 26, 1955.

Agreement extending the naval mission agreement of December 12, 1940 (54 Stat. 2429), as amended. Effected by exchange of notes at Washington August 30 and December 6, 1954. Entered into force December 6, 1954.

Japan

Agreement for a program to raise productivity in Japan. Effected by exchange of notes at Tokyo April 7, 1955. Entered into force April 7, 1955.

Pakistan

Agreement providing for investment guaranties pursuant to the provisions of section 413 (b) (4) of the Mutual Security Act of 1954. Effected by exchange of notes at Washington May 26, 1955. Entered into force May 26, 1955.

Uruguay

Protocol supplementing the treaty of friendship, commerce, and economic development of November 23, 1949.² Signed at Montevideo May 19, 1955. Enters into force upon exchange of ratifications.

² Not in force.

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Check List of Department of State**Press Releases: May 30-June 5**

Releases may be obtained from the News Division, Department of State, Washington, D.C.

Press releases issued prior to May 30 which appear in this issue of the BULLETIN are Nos. 267 of May 16, 268 of May 17, 273 of May 18, 282 and 283 of May 23, 286, 287, and 289 of May 24, and 297 and 300 of May 27.

No.	Date	Subject
*303	5/31	Educational exchange.
†304	5/31	U.S.-Korean agreement for sale of cotton and tobacco.
†305	6/1	Release of <i>U.S. and Germany, 1945-1955</i> .
†306	6/1	Invitations to observers on Antarctic expedition.
307	6/2	Costa Rica credentials (rewrite).
308	6/2	U.S. agricultural representatives to visit U.S.S.R.
*309	6/2	U.S.-Lebanon atoms-for-peace agreement.
*310	6/2	Educational exchange.
†311	6/3	Murphy: testimony on Geneva conventions.
†312	6/3	Kalljarvi: "The Teacher and Foreign Policy."
*313	6/3	Educational exchange.
*314	6/3	Educational exchange.
*315	6/3	U.S.-Israel atoms-for-peace agreement.
*316	6/4	Educational exchange.

*Not printed.

†Held for a later issue of the BULLETIN.

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the
Department
of
State

The United States and Germany: 1945-1955

Publication 5827

25 cents

The story of the shaping of American policy toward Germany during the 10 years which culminated in Germany's return to the community of free nations is told officially for the first time in *The United States and Germany: 1945-1955*, a 56-page illustrated pamphlet.

Ways and means of attaining U.S. goals in Germany have changed since 1945, the booklet notes, "but so have we changed, and so has Germany, and so has the world." To appreciate the significance of this change, it continues, "it is necessary to look back to the beginning of the postwar decade and note the factors that have influenced our course."

Much of the story is appropriately concerned with the important developments of 1954-55. Of these the document says: "The events of the past year more than any other have tested the validity of our policy. In spite of obstacles and reverses, our policy for Germany has achieved in a decade what we once believed would require a full generation. A new Germany, risen from the ruins of Nazi Germany, has reached the status of well-earned sovereignty and acceptance as an equal into the partnership of free nations."

Copies of *The United States and Germany: 1945-1955* may be purchased for 25 cents from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D. C.

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